



**ARTFIELD GROUP LIMITED**

**雅域集團有限公司**

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

annual report

Annual Report 2006 年報

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# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

LIANG Jin You (*Chairman & Managing Director*)

LI Kwo Yuk (*Deputy Chairman*)

LEUNG Kin Yau

OU Jian Sheng

DENG Ju Neng

CHEN Vee Yong, Frederick

LEE Sang Yoon

#### Independent Non-executive Directors

LO Ming Chi, Charles

LO Wah Wai

ORR Joseph Wai Shing

### AUDIT COMMITTEE

LO Ming Chi, Charles (*Chairman*)

LO Wah Wai

ORR Joseph Wai Shing

### REMUNERATION COMMITTEE

LO Ming Chi, Charles (*Chairman*)

LO Wah Wai

ORR Joseph Wai Shing

### COMPANY SECRETARY

LAU King Pong

### AUDITORS

ShineWing (HK) CPA Limited

*Certified Public Accountants*

Suites 09-18, 20/F

Shui On Centre

6-8 Harbour Road

Wanchai, Hong Kong

### LEGAL ADVISER

Conyers Dill and Pearman

2901 One Exchange Square

8 Connaught Place

Central

Hong Kong

### 董事會

#### 執行董事

梁金友 (*主席兼董事總經理*)

李戈玉 (*副主席*)

梁健友

歐健生

鄧巨能

陳維雄

李相潤

#### 獨立非執行董事

勞明智

盧華威

柯偉聲

### 審核委員會

勞明智 (*主席*)

盧華威

柯偉聲

### 薪酬委員會

勞明智 (*主席*)

盧華威

柯偉聲

### 公司秘書

劉景邦

### 核數師

信永中和(香港)會計師事務所有限公司

*執業會計師*

香港灣仔

港灣道6-8號

瑞安中心

20樓09-18室

### 法律顧問

Conyers Dill and Pearman

香港

中環

康樂廣場8號

交易廣場1座2901室

**PRINCIPAL BANKERS**

Citic Ka Wah Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited

**REGISTERED OFFICE**

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

**HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS**

13th Floor, Universal Industrial Centre  
19-21 Shan Mei Street  
Fo Tan  
Shatin  
New Territories  
Hong Kong

**PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Butterfield Fund Services (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke  
Bermuda

**HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Union Services and Registrar Inc.  
311-312 Two Exchange Square  
Central  
Hong Kong

**HONG KONG STOCK EXCHANGE STOCK CODE**

1229

**WEBSITE**

<http://www.artfield.com.hk>

**主要往來銀行**

中信嘉華銀行有限公司  
香港上海滙豐銀行有限公司

**註冊辦事處**

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

**總辦事處及主要營業地點**

香港  
新界  
沙田  
火炭  
山尾街19至21號  
宇宙工業中心13樓

**股份過戶登記總處**

Butterfield Fund Services (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke  
Bermuda

**香港股份過戶登記分處**

聯合證券登記有限公司  
香港  
中環  
交易廣場2座311至312室

**香港聯合交易所股份代號**

1229

**網站**

<http://www.artfield.com.hk>

## CHAIRMAN'S STATEMENT 主席報告

### TO ALL SHAREHOLDERS

On behalf of the Board (the "Board") of Artfield Group Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2006 to shareholders.

### DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 March 2006 (2005: Nil).

### FINANCIAL REVIEW

The Group recorded a turnover of approximately HK\$221,135,000 for the year ended 31 March 2006 (2005: HK\$238,300,000), it represents a reduction of 7.2% or HK\$17,165,000 as compared with last year. The Group recorded a loss for the year of approximately HK\$72,149,000 in the year under review (2005: loss for the year of HK\$2,414,000). The performance of each of the Group's businesses are set out in more details in the Management Discussion and Analysis of the annual report of the Company for the year ended 31 March 2006.

### 致各位股東

本人謹代表雅域集團有限公司(「本公司」)董事會(「董事會」)欣然向各股東提呈本公司及其附屬公司(統稱「本集團」)截至二零零六年三月三十一日止年度之年報。

### 股息

截至二零零六年三月三十一日止年度，董事會不建議派發任何股息(二零零五年：無)。

### 財務回顧

本集團於截至二零零六年三月三十一日止年度錄得營業額約221,135,000港元(二零零五年：238,300,000港元)，較去年下跌7.2%或17,165,000港元。本集團於回顧年度錄得虧損約72,149,000港元(二零零五年：年內虧損2,414,000港元)。本集團各項業務之表現在本公司截至二零零六年三月三十一日止之年報內的管理層討論及分析內有更詳細報告。



## CHAIRMAN'S STATEMENT 主席報告

During the year under review, the Group has encountered a difficult operating environment unseen for many years. The cost of materials which the Group used in its manufacturing such as copper, aluminium and plastic resin increased substantially. The Renminbi appreciated with reference to Hong Kong dollars and as the Group's operations are labour intensive, the labour cost surged as a result of labour shortage in the southern delta area of Mainland China and more labour turnover. All these factors lead to an erosion of the gross profit margin of the Group's products as the Group was in most case not able to pass all of the increased cost to customers in view of the severe competition of the market place.

The unfavourable operating environment has posted enormous challenge to the Group's management and taxed on its resources and abilities. The Group had to re-examine its operations and to re-focus on its core business and core competences.

於回顧年度內，本集團面對多年不見之困難經營環境。本集團在製造中使用之原料，例如銅、鋁及塑膠樹脂之成本均顯著上升。人民幣兌港元匯價升值，加上本集團之經營屬勞工密集型，在中國大陸珠江三角洲南部勞工短缺及勞工流動率高的環境下，員工成本急升。所有此等因素均損害本集團產品之毛利率，然而，由於市場競爭激烈，本集團無法將全部上漲之成本轉嫁予顧客。

不利的經營環境使本集團管理層面臨重大挑戰，並對其資源及能力構成壓力。本集團必須重新評估其業務運作，繼而重新專注於其核心業務及核心競爭力。



## CHAIRMAN'S STATEMENTS

### 主席報告

In view of the central government of the People's Republic of China (the "PRC") taking tight control on the sales of healthcare products, and the operating environment for the healthcare products in the PRC became more difficult, in February 2006 the Group disposed the 49% equity interests in Success Start Holdings Limited which engaged in the research and development, production and sale of medical and healthcare products in the PRC. Despite of the fact that the disposal resulted in impairment loss of approximately HK\$23.8 million recognised in the current year's results, the consideration for the disposal will bring in a cash flow of HK\$6.0 million for the Group's operations upon completion of the transaction on or before 21 August 2006.

The lighting division of the Group has been operating in a difficult environment with decrease in sale turnover and an increase in operating cost coupled with strong competition in the industry. The Group's effort in improving its profitability have turned out in vain. The Group disposed the manufacturing operations of the lighting business in June 2006 with a view to disposing its unprofitable operations and allowing the Group to reallocate and concentrate its resources on core business and core competences. The disposal of the lighting division will have positive effect on the Group's net current assets in terms of the reduction in trade creditors and the reduction in indebtedness owned by the Group companies to the disposed companies as a result of the waiver by the purchaser.

The Group has recognised that the key to success is to promote and increase sales turnover. It could not be achieved without a strong marketing function and management. The Group has added high calibre personnels in the Hong Kong Marketing Department and in overseas offices with a view to improving cooperation and communication with customers.

The restructure of the USA office was completed with substantial saving in operating cost as compared with the previous year. The Group's Germany office, Wehrle Uhrenfabrik GmbH, was relocated from Black Forest to Bonn in Germany to facilitate trading and retail business.

隨著中華人民共和國(「中國」)中央政府嚴謹控制保健產品之銷售，以及中華人民共和國保健產品市場之經營環境日趨艱困，本集團於二零零六年二月出售成發控股有限公司之49%股本權益。成發控股有限公司乃於中國從事研發、生產及銷售醫療及保健產品。儘管出售事項導致本年度業績錄得出售虧損23,800,000港元，惟交易於二零零六年八月二十一日或之前完成後，出售之代價將為本集團之營運帶來現金流量6,000,000港元。

本集團一直在銷售營業額下跌、經營成本上升，而且競爭激烈之困難環境下經營照明業務，以致本集團改善其盈利能力之努力未能湊效。為出售旗下無利可圖之業務，使本集團能夠重新調配及將資源集中於核心業務及核心競爭力上，本集團於二零零六年六月出售照明業務之生產部分。由於買家豁免，以致能削減貿易應付賬及減少本集團公司於出售公司之債項，出售照明業務將對本集團之流動資產淨值帶來正面影響。

本集團認為促進及提高銷售營業額乃成功之關鍵，其中強大之市場推廣職能及管理層更是不可或缺。為與改善與顧客之合作及通訊，本集團已於香港市場推廣部及海外辦事處增聘優秀人才。

美國辦事處已完成重組，使經營成本較去年大幅下降。本集團之德國辦事處Wehrle Uhrenfabrik GmbH已由德國黑森林搬遷至波恩，以方便進行貿易及零售業務。

## CHAIRMAN'S STATEMENTS 主席報告

The Group's European businesses (which are mainly carried out by Ferdinand International (Marketing) Limited in the United Kingdom and Wehrle Uhrenfabrik GmbH in Germany) was put into the same management under European Region with the objective of attaining scale operations, better utilization of resources, increasing stock turnover and enhancing sale.

The Group has acquired the entire issued share capital of Matrix Software Inc. which engages in the marketing and development of online computer games in the PRC. While the Group sees the needs to diversify from its existing business for the next phase of growth, the Group considers that the PRC multimedia and internet market is a fast growing market with significant business potential. The acquisition of the online computer games will enable the Group to capture the business potential offered by such promising industry and to expand the Group's current businesses.

The Group has restructured its business in the year under review with pragmatism, determination and dynamism and to focus on its core business and core competence. These measures have laid a firm foundation for the Group's core businesses. The Group shall continue to restructure its businesses should suitable opportunity arise so as to enable the Group to embark the next phase of growth.

### APPRECIATION

On behalf of all my fellow directors, I sincerely thank all of our staff for their loyalty, commitment and hard work, and our customers, suppliers and shareholders for their continuing support.

By Order of the Board

**LIANG Jin You**

*Chairman*

Hong Kong, 25 July 2006

本集團之歐洲業務（主要由英國之 Ferdinand International (Marketing) Limited及德國之 Wehrle Uhrenfabrik GmbH）已交由歐洲地區之同一管理層管理，務求保持規模經營、更妥善使用資源、提高存貨週轉率及加強銷售。

本集團已收購於中華人民共和國從事網上電腦遊戲市場推廣及開發之 Matrix Software Inc.之全部已發行股本。本集團認為為了進入下一增長期有需要分散其現有業務，本集團亦認為中國之多媒體及互聯網市場乃具有龐大商機之高增長市場。收購網上電腦遊戲將使本集團能夠把握此具有發展前景行業之商機，以及擴展本集團之現有業務。

本集團於回顧年度內以務實、決斷及靈活之態度重組業務，並專注其核心業務及核心競爭力。此等措施為本集團發展核心業務奠定穩固基礎。倘出現合適機會，本集團將繼續重組其業務，以使本集團能夠進入另一增長階段。

### 致謝

本人謹代表董事會就全體職員之忠誠、投入與勤奮，以及各客戶、供應商和股東不斷的支持致以衷心謝意。

承董事會命

**梁金友**

*主席*

香港，二零零六年七月二十五日



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### COMPETITIVE ADVANTAGE AND CORE COMPETENCE

The Group achieves its competitive advantage from the following core competences:

- (i) The Group is considered as one of the leading player in clock industry by virtue of its more than 20 years of experiences in the clock manufacturing, such experiences were successfully applied to the development of the Group's other businesses such as other office related products and lighting products. The Group's public listed status provides financial reliability and confidence to customers.
- (ii) Vertical Integration in Manufacturing  
The Group provides full range and one-stop-shop manufacturing services to customers on both OEM and ODM basis. The Group's manufacturing activities cover research and development; design; manufacturing of metal, plastic and glass components; woodworks; electroplating and assembly. The vertical integration in manufacturing ensures best lead-time, flexibility, quality control and cost effectiveness.
- (iii) Quality Control  
The management places great emphasis on products quality and reliability by setting up incoming, in-production, end-of-line quality controls procedure, quality audit and endurance test to fulfill the stringent requirements of its high-end customers. The Group continues to pursue high quality standard and the accreditation of the ISO9001:2000 to the Group's Shenzhen factory in January 2005 was an open recognition of the Group's effort and high quality standard.

#### 競爭優勢及核心能力

本集團憑藉下列之核心能力獲得競爭優勢：

- (i) 本集團擁有超過二十年之時鐘生產經驗，已被認定為業內的領導者之一，這些經驗亦被成功引用於發展集團其他業務如辦公室相關產品及照明產品。本集團之上市地位提供了可靠的財政背景及得到客戶之信任。
- (ii) 垂直綜合生產  
本集團提供全面及一站式OEM及ODM生產服務予客戶。本集團之生產活動包括研究及開發；設計；生產金屬、塑膠及玻璃配件；木工；電鍍及裝配。垂直綜合生產確保最佳生產時間、具彈性、品質控制及成本效益。
- (iii) 品質控制  
管理層著重產品之質量及可靠性，因而制定了來料、內部生產、制成品品質控制程序、品質審查及耐用測試程序以滿足高級貨品客戶之嚴謹要求。本集團繼續追求高品質標準。本集團位於深圳之廠房於二零零五年一月獲得ISO9001:2000認證，此為公開肯定了本集團對高品質標準之追求及努力。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### (iv) Design, Research and Development

The Group has a strong in-house design, research and development team with over 30 personnels who are expertise in their chosen fields. The Group also enters into partnership with well-acclaimed overseas design houses for new products designs and development apart from the vast reservoir of its own brands designs.

#### (v) Sales and Marketing

The Group's sales and marketing activities operate in global arena with offices and presence in the USA, Germany, UK and the PRC. The presence attunes with the Group's niche marketing strategy and enables the Group to keep abreast with the market conditions and to develop new market segments.

#### (iv) 設計、研究及開發

本集團擁有超過30人之強大內部設計、研究及開發隊伍，他們均是在其有關範疇內之表表者。本集團除本身擁有之龐大品牌設計外，亦與海外昭著之設計公司訂立了合作協議，設計及開發新產品。

#### (v) 銷售及市場推廣

本集團之市場銷售覆蓋全球，並於美國、德國、英國及中國設有辦事處。此設定配合本集團之特色市場策略，及確保本集團與市場環境並進及開發新市場類別。

## FINANCIAL REVIEW

The Group recorded a turnover of approximately HK\$221,135,000 for the year ended 31 March 2006 (2005: HK\$238,300,000), it represents a reduction of 7.2% or HK\$17,165,000 as compared with last year. The Group recorded a loss for the year of approximately HK\$72,149,000 in the year under review (2005: loss for the year of HK\$2,414,000). The loss was mainly a result of recognizing the impairment loss of HK\$23,768,000 in respect of the disposal of 49% equity interests in Success Start Holdings Limited; the impairment loss of HK\$17,004,000 in respect of goodwill and the review of the Group's inventory value in view of the effective of the restriction of the use of certain hazardous substances in electrical and electronic equipment directive ("ROHS Directive") from 1 July 2006 in European Community. The Group's inventory was decreased by HK\$16,516,000 from HK\$95,634,000 at the end of last year to HK\$79,118,000 as at 31 March 2006.

## 財務回顧

本集團於截至二零零六年三月三十一日止年度錄得營業額約221,135,000港元(二零零五年：238,300,000港元)，較去年下跌7.2%或17,165,000港元。本集團於回顧年度錄得虧損約72,149,000港元(二零零五年：年內虧損2,414,000港元)。虧損主要由於就出售成發控股有限公司之49%股本權益而確認減值虧損23,768,000港元；有關商譽之減值虧損17,004,000港元，以及歐洲共同體自二零零六年七月一日起實施指令，限制電器及電子設備使用若干有害物質(「ROHS Directive」)，以致本集團須檢討存貨價格所致。本集團之存貨由去年底之95,634,000港元下降16,516,000港元至於二零零六年三月三十一日之79,118,000港元。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### BUSINESS REVIEW AND PROSPECTS

##### Clock and Other Office Related Products

This Division achieved a turnover of HK\$155,900,000 in the year under review, it represents a slight reduction of HK\$2,500,000 or 1.6% as compared with the same period last year.

The gross profit margin of the clock and other office related products was seriously hampered by increase in cost of materials such as copper, aluminium and plastic resin used in the production of the Division's products, coupled with the surging labour cost and the appreciation of Renminbi during the year under review. An analysis of products cost shows an average increase of about 17.3% for the year 2006 as compared with the year 2005.

The restructuring of overseas offices entailed the written off of old stock in the amount of approximately HK\$672,000 in the Group's USA office, Right Time Group, Inc. and approximately HK\$2,679,000 in the Germany Office, Wehrle Uhrenfabrik GmbH. This Division's inventory value decreased by HK\$18,000,000 to make provision for the impending application of the ROHS Directive to be effective in European Community from 1 July 2006.

This Division reported a segment trading loss of HK\$20,072,000 for the year ended 31 March 2006. The segment trading result for last year was a trading profit of HK\$2,233,000.

##### Lighting Products

The Lighting Products Division reported a turnover of HK\$20,500,000 in the year ended 31 March 2006. The result represents a reduction of HK\$6,400,000 or 23.7% as compared with last year.

#### 業務回顧及展望

##### 時鐘及其他辦公室相關產品

本業務在回顧年度內錄得營業額155,900,000港元，較去年同期微跌2,500,000港元或1.6%。

在回顧年度內，時鐘及其他辦公室相關產品之毛利率，因用作生產本業務產品之原料（例如銅、鋁及塑膠樹脂等）之成本上漲，加上勞工成本急升及人民幣升值而受到嚴重損害。分析顯示二零零六年之產品成本較二零零五年平均上升約17.3%。

重組海外辦事處涉及撇銷本集團美國辦事處Right Time Group, Inc.之陳舊存貨約672,000港元及德國辦事處Wehrle Uhrenfabrik GmbH約2,679,000港元。本業務之存貨價值下跌約18,000,000港元，以就應用歐洲共同體自二零零六年七月一日起實施之ROHS Directive作出撥備。

本業務於截至二零零六年三月三十一日止年度錄得分類貿易虧損20,072,000港元。去年本分類之貿易業績為貿易溢利2,233,000港元。

##### 照明產品

照明產品業務於二零零六年三月三十一日止年度內錄得營業額20,500,000港元，較去年下降6,400,000港元或23.7%。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

As reported in the Company's interim report made up to 30 September 2005, this Division makes its sales predominantly to European markets which showed sign of slow down in their economy and has made a segment trading loss of HK\$677,000. This Division continued to operate in a difficult environment with a decrease in sales turnover and an increase in operation cost coupled with strong competition in the industry. The Group's effort in improving its profitability have turned out in vain. The Group has resolved to dispose the manufacturing operation of the Lighting Division with a view to enabling the Group to reallocate its resources and to concentrate on the Group's other existing businesses.

During the year under review, the Lighting Division report a segment trading loss of HK\$2,391,000.

The Group shall continue to carry on lighting products business through its overseas offices on trading basis.

#### Trading

The Trading Division mainly engages in trading of metal in the PRC market. During the year under review, the business was inevitably affected by the PRC government's tightening of macro-economic policy. This Division reported a turnover of HK\$29,600,000 and a trading profit of HK\$363,000 as compared with a turnover of HK\$41,600,000 and a segment trading profit of HK\$1,772,000 in last year.

In the short run, the management looks upon the business as an important source of marketing intelligence to the Group's other businesses in the PRC market, the management does not expect this Division to make substantial contribution to the Group's bottom line in the near future.

誠如本公司截至二零零五年九月三十日止之中期報告所報告，本業務主要向經濟呈現放緩跡象之歐洲市場進行銷售，以致錄得分類貿易虧損677,000港元。本業務繼續在銷售營業額下跌、經營成本上升，以及業界競爭激烈之困難環境下經營。本集團改善盈利能力之努力未能湊效。本集團議決出售照明產品之製造業務，以使本集團能夠重新調配其資源及專注本集團之其他現有業務。

於回顧年度內，照明業務錄得分類貿易虧損2,391,000港元。

本集團將繼續按貿易準則，透過其海外辦事處從事照明產品業務。

#### 貿易

本業務主要從事中國市場金屬貿易。在回顧年度內，業務無可避免地受到中國政府收緊宏觀調控政策所影響。本業務錄得營業額為29,600,000港元及貿易溢利為363,000港元，去年同期則為營業額41,600,000港元及分類貿易溢利1,772,000港元。

短期展望，管理層視本業務為推廣本集團在中國市場之其他業務之重要資訊來源。管理層並不期望本業務能在短期內對本集團之盈利作出重大貢獻。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### Electroplating Services

The Electroplating Services Division recorded a turnover of HK\$15,200,000 in the year ended 31 March 2006 as compared with HK\$11,400,000 last year. It reported a segment trading profit of HK\$3,463,000 in the year under review as compared with HK\$1,170,000 in last year.

This Division claimed taxation on manufacturing profit on 50:50 basis under the Hong Kong Inland Revenue Department's (the "IRD") Departmental Interpretation and Practice Notes No. 21 – Locality of Profit for the year of assessment from 2000/01. Subsequent to the balance sheet date, the IRD issued the protective profits tax assessments (the "Protective Assessments") of approximately HK\$1,000,000 relating to years of assessment from 2000/01 to 2003/04 on Ultra Good Electroplating Limited. The Company lodged objection with the IRD against the Protective Assessments on 30 June 2006. The amounts had been provided in the consolidated financial statements.

The Electroplating Services Division forms an integral part of the Group's vertically integrated manufacturing operation and it provides high quality electroplating services to other customers. This Division's factory has long been established in its present location. It has been accredited with ISO certification in 2001 and in full compliance with the local governments' requirements with respect to environmental conservation. It also established long term relationship with suppliers for the supplying of restricted material such as potassium gold cyanide (氰化亞金鉀) which is an important ingredient for use in the electroplating process.

#### 電鍍服務

電鍍服務業務於截至二零零六年三月三十一日止年度內錄得營業額15,200,000港元，去年為11,400,000港元。於回顧年度內本業務錄得分類貿易溢利3,463,000港元，去年為1,170,000港元。

本業務自二零零零／零一課稅年度起根據香港稅務局（「稅務局」）之《稅務局釋義及執行指引第21號—利潤來源》按50：50基準報稱製造業務之溢利。於結算日後，稅務局於二零零零／零一至二零零三／零四課稅年度，向特佳電鍍有限公司發出保障性利得稅評稅（「保障性評稅」）約港幣1,000,000元。本公司已於二零零六年六月三十日就該保障性評稅向稅務局提出反對。綜合財務報表中已就該款項作出撥備。

電鍍服務業務既為本集團垂直綜合生產系統中之其一主要部份，亦為其他客戶提供優質電鍍服務。電鍍業務的廠房於現址已建立多年，並於二零零一年獲得國際認可之品質管理體系（「ISO」）的認證，達到當地政府就環境保護措施之要求。其次，本廠亦與供應商建立了長遠的良好關係，以取得在電鍍過程中受監管限制之重要物料如氰化亞金鉀的穩定供應。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

The Group expects that the PRC government will further tighten up environmental protection measures with the effect of imposing further restrictions in operating electroplating services in the area. This Division will strengthen its competitive advantages in terms of its long establishment and good relationship with local government, ISO approved standard and high quality service, as well as the secured access to restricted materials.

#### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2006, the Group had total outstanding debts and finance lease obligations of HK\$33,575,000 (2005: HK\$36,399,000), of which HK\$24,314,000 (2005: HK\$31,164,000) was secured bank loans, HK\$11,416,000 (2005: HK\$10,596,000) was secured overdrafts, HK\$567,000 (2005: HK\$259,000) was unsecured other loans and HK\$1,184,000 (2005: HK\$969,000) was obligations under finance leases. The amount repayable within one year accounted for 98.3% (2005: 82.2%) of the total borrowings as at 31 March 2006. The maturity profile of the Group's total borrowings as at 31 March 2006 is analysed as follows:

		2006	2005
Within one year	一年內	<b>98.3%</b>	82.2%
In the second year	第二年內	<b>1.2%</b>	17.4%
In the third to fifth years, inclusive	第三年至第五年內(包括首尾兩年)	<b>0.5%</b>	0.4%
<b>Total</b>	<b>總計</b>	<b>100%</b>	100%

Our gearing ratio was at a healthy level of 0.4% (2005: 3.4%). The computation is based on long-term borrowings of the Group divided by shareholder's fund as at 31 March 2006.

本集團預期中國政府將會進一步收緊環境保護措施的要求，從而限制在當地電鍍服務的營運。本業務將透過本身悠久的基礎、與當地政府的良好關係、ISO認可標準及優良的服務質素，以及受監管物料之穩定供應，以強化本身的競爭優勢。

#### 流動資金及財務資源

於二零零六年三月三十一日，本集團之未償還貸款及融資租賃之承擔合共33,575,000港元(二零零五年：36,399,000港元)，其中擔保銀行貸款為24,314,000港元(二零零五年：31,164,000港元)，擔保銀行透支為11,416,000港元(二零零五年：10,596,000港元)，無擔保其他貸款為567,000港元(二零零五年：259,000港元)及融資租賃之承擔為1,184,000港元(二零零五年：969,000港元)。於二零零六年三月三十一日，需於一年內償還的金額佔總借貸的98.3%(二零零五年：82.2%)。本集團於二零零六年三月三十一日之總借貸之到期詳情分析如下：

本集團之負債比率現處於0.4%(二零零五年：3.4%)之穩健水平。負債比率之計算乃按本集團之長期借貸除於二零零六年三月三十一日之股東資金。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

The Group's sound financial position will provide us with good financial capacity to either expand our existing operation or to diversify into other strategic growth business.

#### CHARGES ON GROUP'S ASSETS

Certain of the Group's leasehold land and buildings, investment properties and financial assets were pledged to secure general banking facilities granted to the Group.

#### FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue and incurs costs in US dollars and Hong Kong dollars. Foreign exchange exposure of the Group is minimal so long as the Government of the Hong Kong Special Administrative Region's policy to link the Hong Kong dollars to the US dollars remains in effect.

Since the Group's principal manufacturing operations are in the PRC and most of the operating expenses are denominated in Renminbi ("RMB"), the management is aware of possible exchange rate exposure. As a hedging strategy, the management emphasizes on using RMB borrowings to finance the Group's PRC operation and capital expenditure.

#### TREASURY POLICIES

The Group generally finances its operation with internal generated resources and banking and credit facilities provided by banks in Hong Kong, the PRC and the UK. All borrowings are denominated in Hong Kong dollars, the US dollars, RMB and British pounds. Borrowing methods used by the Group mainly include trust receipt loans, overdrafts facilities, invoice financing and bank loans. The interest rates of most of these borrowings are fixed by reference to the Hong Kong Dollar Prime Rate or foreign currency's Trade Finance Rates.

本集團之財務狀況健全，具有充裕之財務能力以擴展現有業務，並於具策略性增長之業務作多元化發展。

#### 集團資產抵押

本集團若干租約土地及樓宇，投資物業及金融資產已作抵押，以致本集團獲得若干銀行貸款。

#### 外匯風險

本集團主要以美元及港元賺取收益及支付費用。鑑於香港特別行政區政府仍然實施港元與美元掛鈎之政策，故此本集團之外匯風險甚低。

由於本集團的主要生產業務所在地位於中國，且大部份經營支出乃以人民幣（「人民幣」）結算，故管理層注意到滙兌風險的可能性。作為對沖策略，管理層著重以人民幣借款支付本集團業務及資本開支。

#### 庫務政策

本集團一般透過內部資金與香港、中國及英國銀行給予之銀行融資及信貸融資提供其業務運作所需資金。所有借貸主要以港元、美元、人民幣及英鎊為結算單位。本集團採用之借貸方法主要包括信託收據貸款、透支融資、發票融資及銀行貸款。上述貸款之利息大部份參照港元最優惠利率或外幣貿易財務利率而釐定，以固定息率計算。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### CONTINGENT LIABILITIES

As at 31 March 2006, the Group did not have contingent liabilities (2005: nil).

#### EMPLOYEES

As at 31 March 2006, the Group had 1,808 employees (2005: 2,394) spreading among Hong Kong, the PRC, the US, Germany and the UK. Industrial relationship has been well maintained.

The Group has adopted an extensive training policy for its employees. It has also sponsored senior executives for higher education programs.

The Group has adopted a share option scheme whereby certain employees of the Group may be granted options to acquire shares of the Company.

#### 或然負債

於二零零六年三月三十一日，本集團並無或然負債（二零零五年：無）。

#### 僱員

於二零零六年三月三十一日，本集團共有員工1,808名（二零零五年：2,394名）分佈於香港、中國、美國、德國及英國各地。本集團與員工一直保持良好關係。

本集團已採用一套完備的員工培訓政策，並贊助高級行政人員進修高級教育課程。

本集團已採納一項購股權計劃，集團部分員工可享有購股權以認購本公司之股份。



## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員簡歷

### Executive Directors

**Mr. LIANG Jin You**, aged 48, is the Chairman and Managing Director of the Company. Mr. Liang was appointed as an executive director of the Company in August 1998. Mr. Liang joined the Group in 1998 and he oversees the strategic development and policy making of the Group. He has over 23 years' experience in industrial management, trading business and real estate business in Hong Kong and the PRC. He is a brother of Mr. LEUNG Kin Yau and the spouse of Ms. Li Kwo Yuk.

**Ms. Li Kwo Yuk**, aged 43, is the Deputy Chairman of the Company. Ms. Li was appointed as an executive director of the Company in January 2000. Ms. Li joined the Group in 2000 and she oversees the purchasing, personnel and administration departments of the Group. She has over 20 years' experience in accounting, trading and administration. She is the spouse of Mr. LIANG Jin You.

**Mr. LEUNG Kin Yau**, aged 41, is an executive director of the Company was appointed in August 1998. Mr. Leung joined the Group in 1998. He has over 16 years' experience in the trading of industrial materials and consumer products between Hong Kong and the PRC. He was appointed as the President in marketing of the Group to oversee the corporate marketing strategies and manage the local and overseas marketing teams of the Group. He is a younger brother of Mr. LIANG Jin You.

### 執行董事

**梁金友先生**，48歲，為本公司之主席及董事總經理。梁先生於一九九八年八月獲委任為本公司之執行董事。梁先生於一九九八年加入本集團，負責統籌本集團之策略性發展及政策制定事務。彼於中、港兩地之貿易、工業管理及房地產業務等方面有超過二十三年經驗。彼為梁健友先生之胞兄及李戈玉女士之配偶。

**李戈玉女士**，43歲，為本公司之副主席。李女士於二零零零年一月獲委任為本公司之執行董事。李女士於二零零零年加入本集團，負責監控採購部與人事及行政部之運作。彼在會計、貿易及行政方面有超過二十年經驗。彼為梁金友先生之配偶。

**梁健友先生**，41歲，於一九九八年八月獲委任為本公司之執行董事。梁先生於一九九八年加入本集團。彼於中、港兩地買賣工業原料及零售產品方面有超過十六年經驗。彼獲委任為本集團之市場部總監，負責監督整體集團之市場策劃及管理本地及海外之市場銷售隊伍。彼為梁金友先生之胞弟。

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員簡歷

**Mr. OU Jian Sheng**, aged 42, is an executive director of the Company. Mr. Ou was appointed in August 1999 and is also the General Manager of Artfield Industries (Shenzhen) Limited ("AIS"), a wholly owned subsidiary of the Company in the PRC. He joined the Group in 1999 and he is responsible for the overall management of AIS. He has a bachelor's degree in mechanical design and is a qualified mechanical engineer. He was employed in 廣州電器科學研究所 (Guangzhou Electrical Appliance Science Research Centre) of 中國機械工業部 (the Mechanical Engineering Industrial Department) and was the factory director of 廣東佛山電風扇總廠 (Guangdong Foshan Electrical Fan General Factory). He is the brother-in-law of Ms. LI Kwo Yuk, executive director of the Company.

**Mr. DENG Ju Neng**, aged 51, is an executive director of the Company. Mr. Deng was appointed in August 1998 and is also the Managing Director of Ultra Good Electroplating Surface Finishing (Shenzhen) Company Limited ("Ultra Good (SZ)"), a subsidiary of the Company in the PRC. He joined the Group in 1998 and is responsible for the day-to-day operations and overall manufacturing activities of Ultra Good (SZ). He has over 23 years' experience in trading, corporate management and real estate development. He does not have any relationship with any director or senior management of the Company.

**歐健生先生**，42歲，於一九九九年八月獲委任為本公司之執行董事，亦為本公司一間於中國全資附屬公司——雅域實業(深圳)有限公司(「深雅」)之總經理。彼於一九九九年加入本集團，負責深雅之整體管理。彼持有機械設計學位及機械工程師之資格。彼曾任職於中國機械工業部轄下之廣州電器科學研究所，並曾任職於廣東佛山電風扇總廠，出任廠長。彼為本公司執行董事李戈玉女士之妹夫。

**鄧巨能先生**，51歲，於一九九八年八月獲委任為本公司之執行董事，並為本公司一間於中國附屬公司——特佳電鍍表面(深圳)有限公司(「特佳深圳」)之董事總經理。彼於一九九八年加入本集團，負責特佳深圳之日常運作及製造業務。彼於貿易、公司管理及房地產發展方面有超過二十三年經驗。彼與本公司任何董事或高級管理人員概無任何關係。

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員簡歷

**Mr. CHEN Vee Yong, Frederick**, age 42, is an executive director of the Company. Mr. Chen was appointed in March 2006. Mr. Chen is the Managing Director of Capcol Capital Limited which is specialized in mezzanine financing and pre-IPO financing of technology, internet and mobile gaming sector. Mr. Chen also possesses extensive experience in the private equity sector. He had been involved in or structured over USD300 million of investments in the past three years. Mr. Chen has intimate knowledge of direct investments in China and other South East Asian countries. He is also the Founding Partner of Praetorian Investments Limited, a specialist company that markets alternative investment funds in Asia. He holds a Bachelor of Arts degree in Business Administration in New York University and is currently a member of the Hong Kong Securities Institute. He does not have any relationship with any director or senior management of the Company.

**Mr. LEE Sang Yoon**, aged 34, is an executive director of the Company. Mr. Lee was appointed in June 2006. Mr. Lee is currently a director of Matrix Software Inc., a wholly owned subsidiary of the Company. He is also the founder and chief executive officer of a leading online game development company in Korea. Mr. Lee is also a director of a well known Korean movie production firm and a director of an advertising agency company in Korea. Mr. Lee has extensive experience in various industries. Mr. Lee holds a Bachelor of Arts degree in Business Administration from Pickering University, Hawaii, U.S.A. He does not have any relationship with any director or senior management of the Company.

**陳維雄先生**，42歲，為本公司之執行董事。陳先生於二零零六年三月獲委任。陳先生為加富高融資有限公司之董事總經理。加富高融資有限公司專門為科技，互聯網及流動遊戲業務於首次公開招股前作融資安排及提供夾層融資。陳先生在直接股資業具有豐富經驗。於過去三年內，他曾參與與之投資項目總額逾三億美元。陳先生熟悉中國及其他東南亞國家之直接投資項目。彼亦為一家專門銷售亞洲另類投資基金之公司—Praetorian Investments Limited之創辦合夥人。彼持有紐約大學工商管理學士學位，現為香港證券專業學會之會員。彼與本公司任何董事或高級管理人員概無任何關係。

**李相潤先生**，34歲，為本公司之執行董事。李先生於二零零六年六月獲委任。李先生目前為本公司全資附屬公司Matrix Software Inc.之董事。彼為韓國一家著名網上遊戲開發公司之創辦人及行政總裁。彼亦為韓國一家著名電影製作公司之董事及韓國一家廣告代理公司之董事。李先生於多個行業中亦富有經驗。李先生持有美國夏威夷Pickering University工商管理文學士學位。彼與本公司任何董事或高級管理人員概無任何關係。

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員簡歷

### Independent Non-executive Directors

**Mr. LO Ming Chi, Charles**, aged 56, JP, is an independent non-executive director of the Company. Mr. Lo was appointed in August 1998. Mr. Lo is a member of the Australian Society of Certified Practising Accountants and the Securities Institute of Australia. He is a director of New Century Group Hong Kong Limited, Cash Retail Management Group Limited (formerly know as Pricerite Group Limited), Tak Sing Alliance Holdings Limited, Xin Corporation Limited, Freeman Corporation Limited and Hembly International Holdings Limited and an independent non-executive director of Honesty Treasurer International Holdings Limited (formerly known as Dah Hwa International (Holdings) Limited from 17 December 2002 to 21 April 2004. All of which are listed on The Stock Exchange of Hong Kong Limited. He has over 27 years' experience in financial and investment services in Australia, Hong Kong and other Asian countries. He does not have any relationship with any director or senior management of the Company.

**Mr. LO Wah Wai**, aged 42, was appointed on 16 September 1998 as an executive director of the Company. He was re-designated as a non-executive director of the Company on 15 May 2001. He was re-designated as an independent non-executive director of the Company on 30 September 2004. He holds a bachelor's degree in business administration from the Chinese University of Hong Kong, and a master's degree in Science from New Jersey Institute of Technology, the United States. He is practising member of the Hong Kong Institute of Certified Public Accountants and is a member of the Amercian Institute of Certified Public Accountants and is the Senior International Finance Manager. Prior to joining the Group in 1998, he worked and held senior positions in both an international accounting firm and an investment bank where he accumulated extensive experience in statutory accounting, corporate finance and strategic investment. He is currently the chairman and an executive director of BM Intelligence International Limited, a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. He is also the independent non-executive director of China Investment Fund Company Limited and Semtech International Holdings Limited, both companies are listed on the main board of the Stock Exchange. He does not have any relationship with any director or senior management of the Company.

### 獨立非執行董事

**勞明智先生**，56歲，太平紳士，為本公司之獨立非執行董事。勞先生於一九九八年八月獲委任。勞先生為澳洲執業會計師公會及澳洲證券學會會員。彼為新世紀集團香港有限公司、時惠環球控股有限公司（前稱為實惠集團有限公司）、達成集團有限公司、新創綜合企業有限公司、民豐控股有限公司和恒寶利國際控股有限公司之董事及於二零零二年十二月十七日至二零零四年四月二十一日期間為誠寶國際控股有限公司（前稱為大華國際控股有限公司）獨立非執行董事，該等公司之證券均於香港聯合交易所有限公司上市。彼在澳洲、香港及其他亞洲國家之金融服務擁有超過二十七年經驗。彼與本公司任何董事或高級管理人員概無任何關係。

**盧華威先生**，42歲，於一九九八年九月十六日獲委任為本公司之執行董事及於二零零一年五月十五日重新任命為本公司之非執行董事，於二零零四年九月三十日重新任命為本公司之獨立非執行董事。彼持有香港中文大學工商管理學士學位，及美國新澤科技學院（New Jersey Institute of Technology）理學碩士學位。彼為香港會計師公會之執業會員及美國時許會議會計師公會會員，並為高級國際財務管理師。於一九九八年加入本集團之前，彼曾於國際知名之會計師事務所及投資銀行擔任高級職位，並在會計、企業財務及策略性投資方面累積了豐富經驗。彼現為邦盟滙駿國際有限公司之主席兼執行董事，該公司乃於香港聯合交易所有限公司創業板上市。彼亦為中國投資基金有限公司及先科國際集團有限公司之獨立非執行董事，上述公司均為於聯交所主板上市之公司。彼與本公司任何董事或高級管理人員概無任何關係。

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員簡歷

**Mr. ORR Joseph Wai Shing**, aged 46, is an independent non-executive director of the Company. He was appointed on 30 September 2004. He holds a MBA from Kellogg School of Management, Northwestern University and the Hong Kong University of Science and Technology, a Professional Diploma in PRC corporate, tax and accounting systems from Zhongshan University, a Master of Arts Degree in International Business and International Financial Management from the University of Reading and a Bachelor of Arts (Hons) degree in Accounting and Finance from Middlesex University. He is a Certified Public Accountant in the United States, a Certified Practising Accountant in Australia and a member of American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants. He does not have any relationship with any director or senior management of the Company.

### SENIOR MANAGEMENT

**Ms. TSE Fung Sang**, aged 65, the General Manager of Ultra Good Electroplating Limited ("Ultra Good"), a subsidiary of the Company in Hong Kong. She is responsible for the overall management and operations of Ultra Good. She joined the Group on 9 May 1991 and has more than 40 years of experience in the electroplating business. She does not have any relationship with any director or senior management of the Company.

**Mr. LAU King Pong**, aged 53, is the Company Secretary of the Company and the Financial Controller of the Group since November 2004. Mr. Lau has over 20 years' experience in accounting and financial control from a variety of businesses and has worked in senior management position with a large multinational conglomerate and public listed companies, including a reputable local banking institution. He has extensive experience in companies set-up, taxes planning, financial management, treasury operations and management information systems development. Mr. Lau is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He does not have any relationship with any director or senior management of the Company.

**柯偉聲先生**，46歲，為本公司之獨立非執行董事。彼於二零零四年九月三十日獲委任。持有美國西北大學凱洛格管理學院及香港科技大學工商管理學碩士、中國中山大學企業法、稅法及會計法專業文憑、英國雷丁大學國際貿易和財務管理學碩士及英國密德薩斯大學會計和財務學榮譽學士。彼為美國執業會計師、澳洲註冊會計師、美執業會計師公會及香港會計師公會會員。彼與本公司任何董事或高級管理人員概無任何關係。

### 高級管理人員

**謝鳳笙女士**，65歲，為本公司一間全資附屬公司——特佳電鍍表面有限公司（「特佳」）之總經理，負責特佳之整體管理及運作。彼於一九九一年五月九日加入本集團並於電鍍表面業擁有超過四十年經驗。彼與本公司任何董事或高級管理人員概無任何關係。

**劉景邦先生**，53歲，自二零零四年十一月起擔任本公司之公司秘書及本集團之財務總監。劉先生在各個行業之會計及財務管理方面積逾二十年經驗，曾於一間大型跨國企業及多間上市公司，包括一間本地知名的銀行機構出任高級管理職務。彼於籌組公司、稅務策劃、財務管理、庫務運作及資訊管理系統發展等方面累積深厚資歷。劉先生為英國特許會計師公會資深會員及香港會計師公會會員。彼與本公司任何董事或高級管理人員概無任何關係。

## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員簡歷

**Mr. Wong Wai Kong**, aged 46, is the President in Marketing of Artifield Manufacturing Company Limited (AMCL), a wholly owned subsidiary of the Company since May 2006. He is responsible for the sales, marketing and products development of AMCL. He has more than 15 years of top level marketing management experience in various industries. Before joining the group he held senior positions in several companies in Hong Kong including Greater China Investment Company Limited and A-World Group. He graduated from the University of Hong Kong with a Bachelor degree in Economics and Management. He does not have any relationship with any director or senior management of the Company.

**Mr. Graeme Blair Christie**, aged 57, joined the Group in May 2006 as Regional Sales and Marketing President, Europe. He is responsible for all of the Group's business and operations in Europe and the management of Ferdinand International (Marketing) Limited, a wholly owned subsidiary of the Company in the United Kingdom and Wehrle Uhrenfabrik GmbH, a wholly owned subsidiary of the Company in Germany. He has worked in the clock industry for more than 15 years, including responsibility for Europe for General Time, then the world's largest clock company. He has an Honours Degree from St. Andrews University and is a Member of the Institute of Marketing. He does not have any relationship with any director or senior manager of the Company.

**Mr. Li Hung Tak**, aged 46, is the Factory Manager of the Group's factory at Shenzhen. He joined the Group in August 1990 and has more than 20 years of experience in production planning and management. He does not have any relationship with any director or senior management of the Company.

**黃惠江先生**，46歲，自二零零六年五月起擔任本公司全資擁有附屬公司雅域實業有限公司之市場部總裁。彼負責雅域實業有限公司之銷售，市場及產品發展工作，彼擁有逾十五年於各行業高級市場管理經驗。於加入本集團前，彼於數間香港公司出任高職包括大中華投資有限公司及世聯集團。彼畢業於香港大學獲取經濟及管理學士學位。彼與本公司任何董事或高級管理人員概無任何關係。

**Mr. Graeme Blair Christie**，57歲，於二零零六年五月加入集團為歐洲區域銷售及市場部總裁。彼負責集團於歐洲方面業務及管理本公司於英國之全資擁有附屬公司，Ferdinand International (Marketing) Limited和於德國之全資擁有附屬公司，Wehrle Uhrenfabrik GmbH。彼於時鐘行業超過十五年之工作經驗，包括負責當時世界最大之時鐘公司General Time之歐洲業務。彼擁有St. Andrews University之榮譽學士學位為市場學學會之會員。彼與本公司任何董事或高級管理人員概無任何關係。

**李鴻德先生**，46歲，為本集團深圳廠廠長。彼於一九九零年八月加入本集團，於生產計劃及管理方面有超過二十年經驗。彼與本公司任何董事或高級管理人員概無任何關係。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### COMMITMENT TO CORPORATE GOVERNANCE

The Company is committed to maintaining statutory and regulatory standards and adherence to the principles of corporate governance emphasizing on transparency, independence, accountability, responsibility and fairness.

The Company has applied the principles of the Code provisions under the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 March 2006 ("the year under review"), save for the deviations from Code Provision A.2.1 and A.4.1 as discussed below.

### THE BOARD

The Board of Directors (the "Board") has the collective responsibility for leadership and control of the Company. The function of the Board is to manage the Company in a responsible and effective manner and in compliance with the applicable standards, laws and regulations, and act in the best interest of the Company and its shareholders at all times. The Board sets strategies for the Company and monitors the performance and activities of the senior management.

The Board currently comprises seven executive directors and three independent non-executive directors. The brief biographical details of the directors and relationship among them are set out in the "Biography of Directors and Senior Management". The executive directors are responsible for the day to day operation of the Company whereas the independent non-executive directors are responsible for ensuring a high standard of financial and management reportings to the Board and shareholders as well as to provide a balance composition in the Board so that there is a strong independent element on the Board.

### 企業管治承諾

本公司致力保持法定及法規標準，並緊守強調透明、獨立、問責、負責任及公允之企業管治原則。

本公司於截至二零零六年三月三十一日止年度（「回顧年度」）一直應用香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則之守則條文之原則，惟下文所討論守則條文已偏離行為A.2.1條及A.4.1條之偏離行為除外。

### 董事會

董事會（「董事會」）共同負責領導及控制本公司。董事會之職能在於有責任地及有效地管理本公司，及遵守適用標準、法律及規例，並經常以符合本公司及其股東最佳利益之方式行事。董事會為本公司制定策略及監察高級管理層之表現及活動。

董事會目前由七名執行董事及三名獨立非執行董事組成。有關董事之履歷簡介及彼等之間之關係載於「董事及高級管理層履歷」。執行董事負責本公司之日常運作；獨立非執行董事負責確保向董事會及股東作出之財務及管理報告屬高標準，並使董事會之組成得以平衡，使董事會具有高度獨立性。

CORPORATE GOVERNANCE REPORT  
企業管治報告

The Board holds meeting whenever it sees necessary and when requires with and without management to discuss and response to matters of particular interest. During the year under review, the Board held eight meetings, the attendance records of the individual directors as follows:

董事會於其認為必要時及有需要時舉行（不論是否與管理層舉行）會議，以討論及回應特別事項。於回顧年度內，董事會曾舉行八次會議，個別董事之出席紀錄如下：

Name of Directors	Number of meeting attended	董事名稱	出席會議次數
<b>Executive Directors:</b>		<b>執行董事：</b>	
LIANG Jin You (Chairman & Managing Director)	7/8	梁金友 (主席兼董事總經理)	7/8
LI Kwo Yuk (Deputy Chairman)	8/8	李戈玉 (副主席)	8/8
LEUNG Kin Yau	6/8	梁健友	6/8
OU Jian Sheng	6/8	歐健生	6/8
DENG Ju Neng	6/8	鄧巨能	6/8
LIN Dong Hong (resigned on 15 March 2006)	1/7	林東宏 (已於二零零六年三月十五日辭任)	1/7
CHEN Vee Yong, Frederick (appointed on 15 March 2006)	1/1	陳維雄 (於二零零六年三月十五日獲委任)	1/1
<b>Independent Non-executive Directors:</b>		<b>獨立非執行董事：</b>	
LO Ming Chi, Charles	4/8	勞明智	4/8
LO Wah Wai	5/8	盧華威	5/8
ORR Joseph Wai Shing	6/8	柯偉聲	6/8



## CORPORATE GOVERNANCE REPORT 企業管治報告

Directors who are considered having conflict of interest or material interests in the proposed transactions or issues to be discussed, would not be counted in the quorum of meeting and would abstain from voting on the relevant resolution.

All Directors have access to the Company Secretary who attended all the scheduled Board Meeting and is responsible for ensuring that the Board procedures are being complied with, and advising the Board on compliance matters.

Code Provision A.4.1 specifies that non-executive directors should be appointed for a specific term, subject to re-election.

The independent non-executive directors of the Company were not appointed for a specific term but are subject to retirement by rotation and re-election at the general meeting of the Company in accordance with the provisions of the Company's bye-laws.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. All directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2006.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 provides that the role of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. Mr. LIANG Jin You is the Chairman of the Company but there is no chief executive officer appointed to the Board. The Company might consider appointing a chief executive officer in the event that it could locate appropriate personnel.

於建議交易或將予討論中被視為存在利益衝突或重大利益之董事不會計算入會議之法定人數，彼等亦會就有關決議案放棄投票。

全體董事均可接觸出席公司秘書，公司秘書出席所有擬定之董事會會議及負責確已遵守董事會程序，及就合規事宜向董事會提供意見。

守則條文A.4.1訂明非執行董事須按指定任期委任，惟可膺選連任。

本公司之獨立非執行董事並非按指定任期委任，惟可根據本公司細則之條文於本公司之股東大會上輪席告退及膺選連任。

### 董事證券交易

本公司已採納上市規則附錄十之標準守則。本公司所有董事已確認，並根據本公司明確要求，彼等已於截至二零零六年三月三十一日止年度內遵守標準守則內的要求水平。

### 主席及行政總裁

守則條文第A.2.1條規定須分開訂立主席與行政總裁之角色，並不得由同一個別人士履行。梁金友先生為本公司主席，惟並無委任行政總裁加入董事會。倘本公司能夠物色合適人選，本公司或會考慮委任行政總裁。

## REMUNERATION COMMITTEE

The Remuneration Committee was set up in July 2005 with specific terms of reference of reviewing the Company's policy and structure on the remuneration of directors and senior management of the Company, making recommendation to the Board on the remuneration of the directors and senior management of the Company and advising shareholders of the Company how to vote with respect to any service contracts of directors that require shareholders' approval under the Listing Rules.

The current members of the Remuneration Committee are Mr. LO Ming Chi, Charles, Mr. LO Wah Wai and Mr. ORR Joseph Wai Shing. In line with good and fair practice, the Committee currently consists of all independent non-executive Directors.

The emoluments of the directors of the Company are decided by the Board of Directors, as authorised by the shareholders at the annual general meeting having regard to the operating results of the Company, individual performance and prevailing market conditions. The Company has also adopted a share option scheme as an incentive to directors and senior management. The Board conducts regular review of the structure and composition of the Committee with particular attention to the skills, knowledge and experience of individual members.

No Remuneration Committee meeting has been held for the year ended in 31 March 2006.

## 薪酬委員會

薪酬委員會於二零零五年七月成立，訂有本公司檢討本公司董事及高級管理層薪酬政策及架構之職權範圍、就本公司董事及高級管理層之薪酬向董事會提出建議，及就如何就須根據上市規則由股東批准之任何董事服務合約作出投票向本公司股東提供意見。

薪酬委員會之現有成員為勞明智先生、盧華威先生及柯偉聲先生。為符合良好及公平守則，該委員會目前已包含全體獨立非執行董事。

本公司董事之酬金由股東於股東週年大會上授權董事會，經參考本公司經營業績、個人表現及現行市況而釐定。本公司亦採納購股權計劃，作為對董事及高級管理層之獎勵。董事會亦定期檢討該委員會之架構及組成，並尤其重視個別成員之技能、知識及經驗。

於截至二零零六年三月三十一日止年度內並無舉行薪酬委員會會議。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### ACCOUNTABILITY AND INTERNAL CONTROL

The directors acknowledge their responsibility to present a balanced, clear and understandable assessment relating to annual and interim report, price-sensitive announcements and other financial disclosures under the Exchange Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements. As at 31 March 2006, the directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the ability of the Company to continue as a going concern basis.

The statement of the external auditors of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Auditor's Report on page 37. The remuneration paid to the external auditors of the Company in respect of audit services for the year ended 31 March 2006 amounted to HK\$380,000.

The directors acknowledge their responsibility in ensuring the Company maintaining sound and effective internal controls to safeguard the shareholders' investment and the Company's assets, and have conducted an annual review on the effectiveness of the Group's internal control system. The review includes financial, operational and compliance control and risk management functions.

### AUDIT COMMITTEE

The Company has established an Audit Committee with specific written terms of reference. The terms of reference of the Audit Committee have included the duties which are set out in the Code Provision C.3.3 of the Code, with appropriate modifications when necessary.

### 問責制及內部監控

各董事明白彼等有責任對有關年報及中期報告、股價敏感之公佈及聯交所上市規則項下之其他財政披露，對監管機構之報告，以及根據法定規定須予披露之資料提呈中肯、清晰及易明之評估。於二零零六年三月三十一日，董事並不知悉任何有關可能對本公司按持續基準繼續經營之能力構成重大疑問之事件或情況之任何重大不明朗因素。

本公司外聘核數師就彼等對綜合財務報表之申報責任之聲明載於第37頁之核數師報告。就截至二零零六年三月三十一日止年度核數服務付予本公司外聘核數師之薪酬為380,000港元。

各董事明白彼等有責任確保本公司保持良好及有效之外部監控，以保障股東之投資及本公司之資產，並已對本集團內部監控制度之有效程度進行年度檢討。有關檢討包括財務、營運及合規監控以及風險管理之職能。

### 審核委員會

本公司已成立審核委員會，並訂立職權範圍。審核委員會之職權範圍包括守則之守則條文第C.3.3條所載之職責，並於需要時作出適當修訂。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

The current members of the Audit Committee are Mr. LO Ming Chi, Charles, Mr. LO Wah Wai and Mr. ORR, Joseph Wai Shing. A total of two meetings have been held in the year under review and the individual attendance of members are as follows:-

Name of members	No. of meeting attended	成員姓名	出席會議次數
Mr. LO Ming Chi, Charles (Chairman)	2/2	勞明智先生 (主席)	2/2
Mr. LO Wah Wai	2/2	盧華威先生	2/2
Mr. ORR, Joseph Wai Shing	2/2	柯偉聲先生	2/2

審核委員會之現有成員為勞明智先生、盧華威先生及柯偉聲先生。於回顧年度內合共舉行兩次會議，各成員之個別出席率如下：

The Audit Committee reviewed the interim and full year consolidated financial statements, including the Group's adopted accounting principles and practices, internal controls, and financial reporting matters in conjunction with the external auditors. The Audit Committee endorsed the accounting treatment adopted by the Company and had the best of its ability assured itself that the disclosure of the financial information in this report complies with the applicable accounting standards and Appendix 16 of the Listing Rules.

審核委員會已與外聘核數師檢閱中期及全年之綜合財務報表，包括本集團所採納之會計原則及守則、內部監控及財務申報事宜。審核委員會贊成本公司所採納之會計處理方式，並已盡力確保本報告乃遵照適用會計原則及上市規則附錄十六披露該等財務資料。

### SHAREHOLDER'S COMMUNICATIONS

The Company continues to enhance communications and relationships with its investors. Designated management personnel maintains regular dialogue with institutional investors and financial analysis to keep them abreast of the developments of the Company.

### 股東之通訊

本公司繼續加強與其投資者之通訊及關係。指定管理層人員與機構投資者及財務分析員會保持定期對話，以確保彼等了解本公司之發展。

To promote effective communication, the Company also maintains a website [www.artfield.com.hk](http://www.artfield.com.hk) where information and updates on the business developments and operation, financial information, corporate governance practices and other information are posted.

為促進有效之通訊，本公司亦設立網站 [www.artfield.com.hk](http://www.artfield.com.hk)，以刊載有關業務發展及運作之資料及最新、財務資料、企業管治常規及其他資訊。

## REPORT OF THE DIRECTORS 董事會報告

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2006.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries consisted of the manufacture and marketing of clocks and lighting products, the trading of metals and the provision of electroplating services. There were no significant changes in the nature of the Group's activities during the year.

### RESULTS AND DIVIDENDS

The Group's results for the year ended 31 March 2006 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 39 to 138.

The directors do not recommend the payment of any dividend in respect of the year.

### FIVE YEARS FINANCIAL SUMMARY

A summary of the published results, assets and liabilities, and minority interests of the Group for the last five financial years, as extracted from the audited financial statements is set out on pages 139 to 140 of the annual report. This summary does not form part of the audited financial statements.

### INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

Details of movements in the investment properties and property, plant and equipment of the Group during the year are set out in notes 14 and 15 to the financial statements.

董事茲提呈本公司及本集團截至二零零六年三月三十一日止年度之董事會報告及經審核財務報告。

### 主要業務

本公司主要業務為投資控股。本公司附屬公司之主要業務包括製造並市場銷售時鐘與照明產品、金屬貿易及提供電鍍服務。本集團之業務性質在年內沒有重大改變。

### 業績及股息

本集團截至二零零六年三月三十一日止之業績及本公司與本集團於該日之業務狀況載於第39至138頁之財務報告內。

董事不建議派發任何該年度股息。

### 五年財務摘要

本集團過去五個財政年度公佈之業績及資產、負債及少數股東權益概要(節錄自經審核財務報告)載於年報第139頁至第140頁。此概要並非構成經審核財務報告之部份。

### 投資物業及物業、廠房及設備

本集團於年內之投資物業及物業、廠房及設備之變動詳情載於財務報告附註14及15。

## SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options are set out in note 29 to the financial statements.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the bye-laws of the Company or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

## PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year ended 31 March 2006.

## RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 37(b) to the financial statement and in the consolidated statement of changes in equity, respectively.

## DISTRIBUTABLE RESERVES

At 31 March 2006, the Company had no retained profits available for cash distribution and/or distribution in specie. Under the Companies Act 1981 of Bermuda, the Company's contributed surplus of HK\$128,013,000 may be distributed under certain circumstances. In addition, the Company's share premium account with a balance of HK\$40,481,000 may be distributed in the form of fully paid bonus shares.

## 股本及購股權

本公司之股本變動及購股權詳情載於財務報告附註29。

## 優先購股權

根據本公司之公司細則或百慕達法例，並無有關優先購買權之規定，以致本公司必須向其現有股東按持股比例發行新股份。

## 購入、出售或贖回本公司上市股份

本公司或其附屬公司於本年內概無購入、出售或贖回本公司之任何股份。

## 儲備

本公司及本集團於截至二零零六年三月三十一日止年度之儲備變動詳情分別載於財務報告附註37(b)及綜合權益變動表。

## 可供分派儲備

於二零零六年三月三十一日，本公司沒有可供之現金分派及／或實物分派之保留溢利。根據百慕達一九八一年公司法，本公司之繳入盈餘為128,013,000港元，於若干情形下可供分派。此外，本公司之股份溢價結餘為40,481,000港元，可作已繳足紅股形式分派。

## REPORT OF THE DIRECTORS 董事會報告

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 44.3% of the total sales for the year and sales to the largest customer included therein amounted to 14.2%. Purchases from the Group's five largest suppliers accounted for 20.2% of the total purchases for the year and purchases from the largest supplier included therein amounted to 9.8%.

As far as the directors are aware, neither the directors, their associates, nor any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

### DIRECTORS

The directors of the Company during the year and up to the date of this report were:

#### Executive directors:

Mr. LIANG Jin You	
Ms. LI Kwo Yuk	
Mr. LEUNG Kin Yau	
Mr. OU Jian Sheng	
Mr. DENG Ju Neng	
Mr. LIN Dong Hong	(resigned on 15 March, 2006)
Mr. CHEN Vee Yong, Frederick	(appointed on 15 March, 2006)
Mr. LEE Sang Yoon	(appointed on 27 June, 2006)

#### Independent non-executive directors:

Mr. LO Ming Chi, Charles
Mr. LO Wah Wai
Mr. ORR, Joseph Wai Shing

### 主要客戶及供應商

於回顧年度內，本集團五大客戶之銷售佔全年總銷售額44.3%，及最大客戶佔之銷售包括在內佔14.2%。本集團五大供應商佔年內之總採購額20.2%，及最大供應商之採購額包括在內佔9.8%。

就董事會所知，擁有本公司已發行股本5%以上之董事、彼等之聯繫人士或任何股東概無持有本集團五大客戶及供應商之任何實益。

### 董事

本公司董事在本年度及至本報告日期為如下：

#### 執行董事：

梁金友先生	
李戈玉女士	
梁健友先生	
歐健生先生	
鄧巨能先生	
林東宏先生	(於二零零六年三月十五日辭任)
陳維雄先生	(於二零零六年三月十五日獲委任)
李相潤先生	(於二零零六年六月二十七日獲委任)

#### 獨立非執行董事：

勞明智先生
盧華威先生
柯偉聲先生

## REPORT OF THE DIRECTORS 董事會報告

### DIRECTORS (CONTINUED)

In accordance with bye-law 86(2) of the Company's Bye-Laws, Mr. Chen Vee Yong, Frederick, Mr. Lee Sang Yoon shall hold office only until the forthcoming annual general meeting of the Company and shall be eligible for re-election at the forthcoming annual general meeting. In accordance with bye-law 87 of the Company's Bye-Laws, Mr. Liang Jin You, Mr. Ou Jian Sheng and Mr. Lo Ming Chi, Charles will retire by rotation at the forthcoming annual general meeting.

### BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 16 to 21 of the annual report.

### DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

### DIRECTORS' INTERESTS IN CONTRACTS

No director had a significant beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any its subsidiaries was a party at any time during the year.

### DIRECTORS' INTERESTS IN SHARES

As at 31 March 2006, the interests of the directors of the Company in the shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register kept by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

### 董事 (續)

按照本公司之公司細則第86(2)條規定陳維雄先生、李相潤先生將任職至即將舉行之股東週年大會及將符合資格並願意重選連任，按照本公司之細則第87條規定，梁金友先生、歐健生先生及勞明智先生將於即將舉行之股東週年大會上輪席退任，及符合資格並願意重選連任。

### 董事及高級管理人員簡歷

本公司董事及本集團高級管理人員簡歷詳情載於年報第16至21頁。

### 董事服務合約

本公司並無與擬於即將舉行之股東週年大會上膺選連任之董事訂立任何不可於一年內由本公司無償終止(法定補償除外)之合約。

### 董事合約權益

各董事在本公司或其任何附屬公司於本年度內任何時間，概無參與訂立與本集團業務有關連之重大合約，亦無擁有任何直接或間接之實質利益。

### 董事股份權益

於二零零六年三月三十一日，本公司根據證券及期貨條例(「證券及期貨條例」)第352條而設立之名冊所記錄，董事於本公司或其他相聯法團(具有證券及期貨條例第XV部的涵義)之股份及購股權權益；或根據上市公司董事證券交易的標準守則而須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：



## REPORT OF THE DIRECTORS 董事會報告

### DIRECTORS' INTERESTS IN SHARES (CONTINUED)

#### Long positions

Ordinary shares of HK\$0.10 each of the Company

Name	Capacity	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Mr. LIANG Jin You 梁金友先生	Held by controlled corporation (note 1) 控制公司持有(附註1)	119,184,300	45.41%

#### Notes:

- 119,184,300 shares are owned by Golden Glory Group Limited ("GG"), a company incorporated in the British Virgin Islands. The entire issued share capital of GG is beneficially owned by General Line International (Holdings) Limited, which is in turn 100% beneficially owned by Mr. LIANG Jin You.

Save as disclosed above, none of the other directors, chief executives or their associates had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 March 2006.

### 董事股份權益 (續)

#### 好倉

本公司每股面值0.10港元之普通股

Name	Capacity	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Mr. LIANG Jin You 梁金友先生	Held by controlled corporation (note 1) 控制公司持有(附註1)	119,184,300	45.41%

#### 附註：

- 119,184,300股股份由Golden Glory Group Limited (「GG」) 擁有。GG 為於英屬處女群島註冊成立之公司，GG之全部已發行股本由廣橋國際(控股)有限公司實益擁有，此公司由梁金友先生實益擁有。

除上文披露外，於二零零六年三月三十一日，概無其他董事、主要行政人員或彼等之聯繫人士擁有本公司或其相聯法團(具有證券及期貨條例第XV部的涵義)的任何股份、相關股份或債券的任何權益或淡倉。

REPORT OF THE DIRECTORS  
董事會報告

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as under note 29 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## SHARE OPTION SCHEME

Particulars of the Company's share option scheme are set out in note 29 to the financial statements.

## SUBSTANTIAL SHAREHOLDERS

As at 31 March 2006, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors and chief executives, the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company.

### Long positions

Ordinary shares of HK\$0.10 each of the Company

## 董事購買股份或債券權利

除財務報告附註29所披露外，於本年內任何時間，並無任何董事、彼等之配偶或十八歲以下子女有任何認購本公司股份或債券，或已行使該等權利而獲益；或本公司及其附屬公司概無任何安排，以致本公司董事可藉購入其他法人團體之股份或債務而獲益。

## 購股權計劃

有關本公司之購股權計劃詳細披露載於財務報告附註29。

## 主要股東

於二零零六年三月三十一日，本公司根據證券及期貨條例第336條而設立之主要股東名冊顯示，除上文披露有關若干董事及主要行政人員之權益外，下列股東向本公司知會於本公司已發行股本之有關權益。

### 好倉

本公司每股面值0.10港元之普通股

Shareholders	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Golden Glory Group Limited	Beneficial owner 實益擁有人	119,184,300	45.41%

REPORT OF THE DIRECTORS  
董事會報告

**SUBSTANTIAL SHAREHOLDERS**

(CONTINUED)

Long positions (Continued)

**主要股東 (續)**

好倉 (續)

Shareholders	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東	身份	所持已發行普通股數目	佔本公司已發行股本百分比
General Line International (Holdings) Limited 廣橋國際(控股)有限公司	Held by controlled corporation (Note) 控制公司持有 (附註)	119,184,300	45.41%
Mr. LI Feng Saio 李豐韶先生	Beneficial owner 實益擁有人	13,941,600	5.31%

Note: 119,184,300 shares are owned by GG, a company incorporated in the British Virgin Islands. The entire issued share capital of GG is beneficially owned by General Line International (Holdings) Limited, which is in turn 100% beneficially owned by Mr. LIANG Jin You.

附註：119,184,300股股份由GG擁有。GG為於英屬處女群島註冊成立之有限公司，GG之全部已發行股本由廣橋國際(控股)有限公司實益擁有，此公司由梁金友先生實益擁有。

Other than as disclosed above, the Company has not been notified of any other interests or short position in the issued share capital of the Company as at 31 March 2006.

除上文披露外，本公司概無獲悉任何於二零零六年三月三十一日本公司已發行股本其他權益或淡倉。

## REPORT OF THE DIRECTORS 董事會報告

### DIRECTORS' INTERESTS IN A COMPETING BUSINESS

No director had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, during the year and up to the date of this report.

### CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied throughout the year ended 31 March 2006 with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules, save as the deviations disclosed in the Corporate Governance Report as set out in pages 22 to 27.

### PUBLIC FLOAT

As at the date of this report, based on the information publicly available to the Company and within the knowledge of the directors of the Company, over 25% of the issued share capital of the Company was held by the public as required under the Listing Rules.

### 董事在競爭業務之權益

於年內及截至本報告之日期，根據上市規則，董事並無在一項業務中不論直接或間接佔有權益，而該項業務跟本集團本身業務相互競爭。

### 企業管治

董事認為，除載於第22頁至第27頁之企業管治報告外，本公司於截至二零零六年三月三十一日止年度內已遵守上市規則附錄十四之最佳應用守則（「守則」）。

### 公眾持股量

按本公司之公開資料及就本公司董事會所知，於本報告日期，本公司已應上市規則要求有超過25%之已發行股本由公眾持有。

## REPORT OF THE DIRECTORS 董事會報告

### AUDITORS

Messrs KLL Associates CPA Limited ("KLL") had been the auditors of the Company for the years ended 31 March 2004 and 2005. On 21 April 2006, the Company announced that KLL has resigned as auditors of the Company with effect from 23 March 2006 as to the merger of their practice with BDO McCabe Lo Limited. Following the resignation of KLL, the special general meeting of the Company has passed an ordinary resolution to appoint ShineWing (HK) CPA Limited ("ShineWing") as auditors of the Company to fill the vacancy and to hold office until the conclusion of the next annual general meeting. In this connection, a resolution for the re-appointment of ShineWing as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company. Save as aforesaid, the Company has not changed its auditors in the proceeding three years.

On Behalf of the Board

**LIANG Jin You**  
*Chairman*

Hong Kong, 25 July 2006

### 核數師

華融會計師事務所有限公司(「華融」)於截至二零零四年及二零零五年三月三十一日止年度為本公司之核數師。本公司於二零零五年四月二十一日宣佈，華融因業務與德豪嘉信會計師事務所有限公司合併而辭任本公司核數師，於二零零六年三月二十三日生效。華融辭任後，本公司於股東特別大會上通過一項普通決議案，委任信永中和(香港)會計師事務所有限公司(「信永中和」)為本公司核數師以填補空缺，並留任至下屆股東週年大會為止。就此，本公司將於應屆股東週年大會上提呈一項決議案，以續聘信永中和為本公司之核數師。除上述者外，本公司於前三年並無更改其核數師。

代表董事會

**梁金友**  
*主席*

香港，二零零六年七月二十五日

# REPORT OF THE AUDITORS 核數師報告



SHINEWING (HK) CPA Limited  
20/F., Shui On Centre  
6-8 Harbour Road, Hong Kong

## TO THE SHAREHOLDERS OF ARTFIELD GROUP LIMITED

*(incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of Artfield Group Limited ("the Company") and its subsidiaries ("the Group") on pages 39 to 138 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of consolidated financial statements which give a true and fair view. In preparing consolidated financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## 致雅域集團有限公司股東

*(於百慕達註冊成立之有限公司)*

本會計師事務所已審核刊於第39至第138頁之雅域集團有限公司(「貴公司」)及其附屬公司(「貴集團」)綜合財務報告。該財務報告乃根據香港普遍採納之會計準則編製。

## 董事及核數師各自之責任

貴公司之董事須負責編製真實與公平之綜合財務報告。採用適當之會計政策並貫徹執行，是編製真實與公平之綜合財務報告的基本要求。

本事務所之責任是根據審核工作之結果，對該等財務報告表達獨立意見，並根據百慕達一九八一年公司法第90條向全體股東呈報，除此以外本報告概不可用作其他用途。本事務所概不就本報告之內容對任何其他人士負責或承擔法律責任。

## REPORT OF THE AUDITORS 核數師報告

### BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the circumstances of the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the consolidated financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

### OPINION

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2006 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### **ShineWing (HK) CPA Limited**

*Certified Public Accountants*

#### **Lau Miu Man**

Practising Certificate Number: P03603

Hong Kong  
25 July 2006

### 意見之基礎

本事務所乃根據香港會計師公會頒佈之香港核數準則進行審核工作。審核範圍包括以抽查方式查核財務報表內所載數額及披露事項有關之憑證，並包括評估董事於編製財務報告時所作之重大估計及判斷，所釐定之會計政策是否適合 貴集團之具體情況，以及有否貫徹運用並足夠披露該等會計政策。

本事務所在策劃和進行審核工作時，均以取得一切本事務所認為必需的資料及解釋為目標，使本事務所能獲得充份的憑證，就該等綜合財務報表是否存有重要錯誤陳述，作合理的確定。在作出意見時，本事務所亦已評估財務報告內所提呈之資料整體上是否足夠。本事務所相信審核工作已為下列意見提供合理之基礎。

### 意見

本事務所認為，上述之綜合財務報告均真實與公平地反映 貴集團於二零零六年三月三十一日之財政狀況，及 貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露規定妥為編製。

#### **信永中和(香港)會計師事務所有限公司**

*執業會計師*

#### **樓妙敏**

執業證書號碼：P03603

香港  
二零零六年七月二十五日

# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

For the year ended 31 March 2006  
截至二零零六年三月三十一日止年度

		NOTES 附註	2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
Turnover	營業額	6	221,135	238,300
Cost of sales and services provided	貨品銷售及服務提供成本		(192,309)	(181,868)
Gross profit	毛利		28,826	56,432
Other operating income	其他經營收入		2,509	1,213
Selling and distribution expenses	銷售及分銷費用		(13,824)	(12,018)
Administrative expenses	行政費用		(44,441)	(43,530)
Other operating expenses	其他經營費用		-	(1,688)
Finance costs	融資成本	8	(2,893)	(3,185)
Gain on disposal of subsidiaries	出售附屬公司之收益	30	-	1,693
Share of results of associates	應佔聯營公司業績		-	765
Impairment loss recognised in respect of interests in associates	就於聯營公司權益所確認之減值虧損	19	(23,768)	-
Impairment loss recognised in respect of goodwill	就商譽所確認之減值虧損	18	(17,004)	-
Loss before tax	除稅前虧損	9	(70,595)	(318)
Income tax expenses	所得稅開支	10	(1,516)	(1,755)
Loss for the year	年內虧損		(72,111)	(2,073)
Attributable to:	應佔：			
Equity holders of the Company	本公司股權持有人		(72,149)	(2,414)
Minority interests	少數股東權益		38	341
			(72,111)	(2,073)
Dividend	股息	11	-	-
Loss per share – basic	每股虧損 – 基本	12	(HK\$27.49 cents港仙)	(HK\$0.92 cents港仙)



# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

As at 31 March 2006  
於二零零六年三月三十一日

		NOTES 附註	2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
Non-current assets	非流動資產			
Investment properties	投資物業	14	6,426	–
Property, plant and equipment	物業、廠房及設備	15	56,499	66,994
Prepaid lease payments on land use rights	土地使用權預付租賃款項			
		16	9,008	8,874
Intangible assets	無形資產	17	–	39
Goodwill	商譽	18	–	17,004
Interests in associates	於聯營公司之權益	19	6,000	18,316
Deferred tax assets	遞延稅項資產	28	135	135
			<b>78,068</b>	111,362
Current assets	流動資產			
Inventories	存貨	20	79,118	95,634
Trade and bills receivables	應收貨款及應收票據	21	55,637	56,904
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項			
		22	6,128	7,409
Prepaid lease payments on land use rights	土地使用權預付租賃款項			
		16	220	208
Financial assets at fair value through profit or loss	按公平值列賬並在損益表內處理之金融資產			
		23	2,343	–
Other investments	其他投資	24	–	2,311
Amounts due from associates	應收聯營公司款項	19	–	210
Tax recoverable	可收回稅項		86	–
Bank balances and cash	銀行結存及現金		8,029	7,632
			<b>151,561</b>	170,308
Current liabilities	流動負債			
Trade payables	應付貨款	25	28,553	31,427
Other payables and accruals	其他應付款項及應計負債	25	21,877	12,479
Tax payable	應付稅項		1,277	993
Obligations under finance leases	融資租賃之承擔			
– due within one year	– 於一年內到期	26	598	606
Bank and other borrowings	銀行及其他借貸			
– due within one year	– 於一年內到期	27	32,391	29,318
			<b>84,696</b>	74,823
Net current assets	流動資產淨值		<b>66,865</b>	95,485
Total assets less current liabilities	總資產減流動負債		<b>144,933</b>	206,847

## CONSOLIDATED BALANCE SHEET 綜合資產負債表

As at 31 March 2006  
於二零零六年三月三十一日

		NOTES 附註	2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
Capital and reserves	股本及儲備			
Share capital	股本	29	<b>26,248</b>	26,248
Reserves	儲備		<b>106,591</b>	162,338
			<b>132,839</b>	188,586
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益			
Minority interests	少數股東權益		<b>7,002</b>	6,964
			<b>139,841</b>	195,550
<hr/>				
Non-current liabilities	非流動負債			
Obligations under finance leases	融資租賃之承擔 — 於一年後到期			
– due after one year		26	<b>586</b>	363
Bank and other borrowings	銀行及其他借貸			
– due after one year	— 於一年後到期	27	–	6,112
Deferred tax liabilities	遞延稅項負債	28	<b>4,506</b>	4,822
			<b>5,092</b>	11,297
			<b>144,933</b>	206,847

The financial statements on pages 39 to 138 were approved and authorised for issue by the Board of Directors on 25 July 2006 and are signed on its behalf by:

列載於39至138頁之財務報表於二零零六年七月二十五日由董事局批准並由以下董事代為簽署：

Director  
董事

Director  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 March 2006  
截至二零零六年三月三十一日止年度

### Attributable to equity holders of the Company 本公司股權持有人應佔

		Share	Share	Property	Reserve and	Exchange	Retained	Total	Minority	Total
		capital	premium	revaluation	Capital	enterprise	translation		earnings	
				reserve	reserve	reserve	(deficit)			
		股本	股份溢價	物業	資本儲備	儲備及企業	保留溢利	總額	股東權益	總額
		HK\$'000	HK\$'000	重估儲備	資本儲備	發展基金	(虧損)	總額	股東權益	總額
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2004 as originally stated	於二零零四年四月一日， 如原列	24,054	25,123	22,710	42,516	9,116	56,184	181,137	-	181,137
Effect of changes in accounting policies (see Note 2A)	會計政策變動之影響 (見附註2A)	-	-	(8,723)	-	-	2,598	(6,125)	6,623	498
At 1 April 2004 as restated	於二零零四年四月一日， 如重列	24,054	25,123	13,987	42,516	9,116	58,782	175,012	6,623	181,635
Exchange difference arising on translation of overseas operation	換算海外營運產生 之滙兌差額	-	-	-	-	-	(1,854)	(1,854)	-	(1,854)
(Loss) / profit for the year	年內(虧損)/溢利	-	-	-	-	-	(2,414)	(2,414)	341	(2,073)
Total recognised income and expense for the year	年內確認之收入及開支總額	-	-	-	-	-	(1,854)	(4,268)	341	(3,927)
Shares allotted for settlement of consideration in respect of acquisition of an associate	因支付收購聯營公司之 代價而配發股份	2,194	15,358	-	-	-	-	17,552	-	17,552
Disposal of property, plant and equipment	出售物業、廠房及設備	-	-	(1,159)	-	-	1,159	-	-	-
Release of deferred tax liabilities upon disposal of property, plant and equipment	於出售物業、廠房及設備時 撥回遞延稅項負債	-	-	203	-	-	-	203	-	203
Eliminated on disposal of subsidiaries	撤銷出售附屬公司	-	-	-	87	-	-	87	-	87
At 31 March 2005	於二零零五年三月三十一日	26,248	40,481	13,031	42,603	9,116	(420)	188,586	6,964	195,550
Effects of changes in accounting policies (see Note 2A)	會計政策變動之影響 (見附註2A)	-	-	(1,489)	3,391	-	9,866	11,768	-	11,768
At 1 April 2005 as restated	於二零零五年四月一日， 如重列	26,248	40,481	11,542	45,994	9,116	(420)	200,354	6,964	207,318

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 March 2006  
截至二零零六年三月三十一日止年度

### Attributable to equity holders of the Company 本公司股權持有人應佔

	Share capital	Share premium	Property revaluation reserve	Capital reserve	Reserve and enterprise expansion funds	Exchange translation reserve	Retained earnings (deficit)	Total	Minority interests	Total
	股本	股份溢價	物業重估儲備	資本儲備	儲備及企業發展基金	滙兌儲備	保留溢利(虧損)	總額	股東權益少數	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Exchange difference arising on translation of overseas operation	-	-	-	-	-	4,634	-	4,634	-	4,634
(Loss) profit for the year	-	-	-	-	-	-	(72,149)	(72,149)	38	(72,111)
Total recognised income and expenses for the year	-	-	-	-	-	4,634	(72,149)	(67,515)	38	(67,477)
At 31 March 2006	26,248	40,481	11,542	45,994	9,116	4,214	(4,756)	132,839	7,002	139,841

Note: In accordance with the Peoples' Republic of China ("the PRC") regulations, all of the Group's subsidiaries in the PRC are required to transfer part of their profit after tax to the reserve and enterprise expansion funds, which are non-distributable, before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of directors of these companies in accordance with their joint venture agreements and/or articles of association. No transfer of reserve was made for both years as the PRC subsidiaries were loss making in both years.

附註：根據中華人民共和國（「中國」）規例所有在中國之附屬公司需要將其部份除稅後溢利轉撥至儲備及企業擴充基金，該儲備於溢利分派發生前均不可分派。該轉撥金額是需由該等公司之董事會按照該等公司之合營企業合同及／或公司細則審批。由於過去兩年度，在中國之附屬公司並無除稅後溢利，因此於過去兩年度並無除稅後溢利轉撥予儲備。

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31 March 2006  
截至二零零六年三月三十一日止年度

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated) (重列)
OPERATING ACTIVITIES	經營業務		
Loss before tax	除稅前虧損	<b>(70,595)</b>	(318)
Adjustments for:	調整：		
Write off of	呆壞賬撇銷		
bad and doubt debts		<b>1,796</b>	-
Amortisation of goodwill	商譽攤銷	-	996
Amortisation of intangible assets	無形資產攤銷	<b>27</b>	27
Amortisation of prepaid lease	預付租賃款項攤銷		
payment		<b>220</b>	208
Depreciation of property,	物業、廠房及設備之折舊		
plant and equipment		<b>7,091</b>	9,754
Depreciation of investment	投資物業之折舊		
properties		<b>272</b>	-
Finance costs	融資成本	<b>2,893</b>	3,185
Gain on disposal of subsidiaries	出售附屬公司之收益	-	(1,693)
(Gain) loss on disposal of	出售物業、廠房及設備之		
property, plant and equipment	(收益) 虧損	<b>(19)</b>	544
Impairment loss recognised in respect	就商譽減值確認之虧損		
of goodwill		<b>17,004</b>	-
Impairment loss recognised in respect	就投資物業確認之減值虧損		
of investment properties		<b>571</b>	-
Impairment loss recognised in respect	就於聯營公司權益確認之減值虧損		
of interests in associates		<b>23,768</b>	-
Interest income	利息收入	<b>(98)</b>	(442)
Gain arising from changes in fair value	在損益表處理之金融資產		
of financial assets	公平值變動產生之收益	<b>(32)</b>	-
Share of results of associates	應佔聯營公司業績	-	(765)
Unrealised holding loss on	其他投資之未變現持有虧損		
other investments		-	103
Write back of allowance for bad and	呆壞賬撥備撇銷		
doubtful debts		<b>(201)</b>	(326)
Write down for inventories	存貨撇減	<b>8,399</b>	-
Operating cash flow before	營運資金變動前之經營現金流量	<b>(8,904)</b>	11,273
movements in working capital		<b>8,109</b>	(6,915)
Decrease (increase) in inventories	存貨減少(增加)		
Decrease in trade and bills	應收貨款及應收票據、預付款項、		
receivables, prepayments,	按金及其他應收款項減少	<b>4,378</b>	3,097
deposits and other receivables			
Increase in trade payables, other	應付貨款、其他應付款項及		
payables and accruals	應計負債增加	<b>6,524</b>	8,655
Decrease in trust receipt loans	信託收據貸款減少	<b>(1,867)</b>	(1,845)

## CONSOLIDATED CASH FLOW STATEMENT

### 綜合現金流量表

For the year ended 31 March 2006  
截至二零零六年三月三十一日止年度

		NOTE	2006	2005
		附註	HK\$'000	HK\$'000
			千港元	千港元
				(Restated) (重列)
Cash generated from operations	經營業務所得現金		<b>8,240</b>	14,265
Interest received	已收利息		<b>98</b>	442
Interest paid	已付利息		<b>(2,893)</b>	(3,185)
Hong Kong Profits Tax paid	已繳香港利得稅		<b>(216)</b>	(232)
Overseas taxes paid	已繳海外稅項		<b>(1,102)</b>	(234)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>經營業務所得現金淨額</b>		<b>4,127</b>	11,056
<b>INVESTING ACTIVITIES</b>	<b>投資業務</b>			
Purchases of property, plant and equipment	購買物業、廠房及設備		<b>(1,668)</b>	(6,465)
Repayment from (advance to) associates	聯營公司償還款項(墊款予聯營公司)		<b>210</b>	(210)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項		<b>48</b>	813
Disposal of subsidiaries	出售附屬公司	30	-	21,982
Repayment from related companies	關聯公司之還款		-	278
<b>NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES</b>	<b>投資業務(所用)／所得現金淨額</b>		<b>(1,410)</b>	16,398
<b>FINANCING ACTIVITIES</b>	<b>融資業務</b>			
Repayment of bank loans	償還銀行貸款		<b>(15,415)</b>	(35,418)
New bank loans raised	新籌集之銀行貸款		<b>12,711</b>	7,226
Repayments of obligations under finance leases	償還融資租賃之承擔		<b>(1,050)</b>	(846)
New other loans raised	新增其他貸款		<b>567</b>	-
Repayment of other loans	償還其他貸款		<b>(259)</b>	(473)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>融資業務所用現金淨額</b>		<b>(3,446)</b>	(29,511)

## CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31 March 2006

截至二零零六年三月三十一日止年度

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated) (重列)
	NOTES 附註		
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值減少淨額	(729)	(2,057)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	年初之現金及現金等值	(2,964)	(975)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外幣滙率變動之影響	306	68
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等值	(3,387)	(2,964)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS, represented by:	現金及現金等值結存分析		
Bank balances and cash	可分為： 銀行結存及現金	8,029	7,632
Bank overdrafts	銀行透支	(11,416)	(10,596)
		(3,387)	(2,964)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報告附註

For the year ended 31 March 2006  
截至二零零六年三月三十一日止年度

### 1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The consolidated financial statements are presented in Hong Kong dollars, which is the measurement currency of the Company.

The principal activities of the Company and its subsidiaries ("the Group") are principally engaged in manufacture and marketing of clocks, lighting products, trading of metals and provision of electroplating services.

### 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards (HKFRSs), Hong Kong Accounting Standards (HKASs) and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. In particular, the presentation of minority interests has been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current and prior accounting years are prepared and presented:

### 1. 一般資料

本公司於百慕達註冊成立為一間受豁免之有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處地址及主要營業地點均於年報之公司資料一節披露。

綜合財務報告以港元呈列，而本公司以港元作為計量貨幣。

本公司及其附屬公司（「本集團」）之主要業務為主要從事製造及銷售鐘錶及照明產品、金屬貿易以及提供電鍍服務。

### 2. 採用香港財務報告準則／會計政策變動

於本年度，本集團已首次應用香港會計師公會（「香港會計師公會」）所頒佈之多項新訂香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋（下文統稱為「新香港財務報告準則」），該等準則均於二零零五年一月一日或以後開始之會計期間生效。應用新香港財務報告準則導致綜合收益表、綜合資產負債表及綜合權益變動表之呈列方式出現變動。尤為重要者，少數股東權益之呈列方式有所改變。呈列方式之變動已作追溯性應用。採納新香港財務報告準則已使本集團在下列範疇之會計政策出現變動，對本會計年度及以往會計年度之業績之編製及呈列方式構成影響：



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## 綜合財務報告附註

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## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### Business Combinations

In the current year, the Group has applied HKFRS 3 Business Combinations which is effective for business combinations for which the agreement date is on or after 1 January 2005. The principal effects of the application of transitional provision of HKFRS3 to the Group are summarised below:

#### *Goodwill*

In previous years, goodwill arising on acquisition prior to 1 April 2001 was held in reserves and goodwill arising on acquisitions after 1 April 2001 was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. Goodwill previously recognised in reserves of HK\$4,488,000 has been transferred to the Group's retained earnings on 1 April 2005. With respect of goodwill previously capitalised on the balance sheet, the Group on 1 April 2005, eliminated the carrying amount of the related accumulated amortisation of HK\$2,989,000 with a corresponding decrease in the cost of goodwill (see Note 18). The Group has discontinued amortising such goodwill from 1 April 2005 onwards and such goodwill will be tested for impairment at least annually. Goodwill arising on acquisitions after 1 April 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current year. Comparative figures for 2005 have not been restated (see Note 2A for the financial impact).

## 2. 採用香港財務報告準則／會計政策變動 (續)

### 業務合併

於本年度，本集團應用香港財務報告準則第3號「業務合併」，該準則適用於協議日期為二零零五年一月一日或之後之業務合併。應用香港財務報告準則第3號之過渡性條文對本集團之主要影響概述如下：

#### 商譽

於過往年度，於二零零一年四月一日前因收購而產生之商譽計入儲備，而於二零零一年四月一日後因收購而產生之商譽則資本化，並按其估計可使用年期攤銷。本集團已採用香港財務報告準則第3號之相關過渡性條文。先前於儲備中確認之商譽4,488,000港元已於二零零五年四月一日轉撥至本集團之保留盈利，而以往在資產負債表資本化的商譽，本集團已於二零零五年四月一日撇除有關累計攤銷2,989,000港元之賬面值，並相應減少商譽成本(見附註18)。本集團由二零零五年四月一日起不再將有關商譽攤銷，而有關商譽將最少每年進行一次減值測試。於二零零五年四月一日後因收購產生之商譽，乃於初步確認後按成本扣除累計減值虧損(如有)計量。此項會計政策之變動，致使本年度不再計算任何商譽攤銷。二零零五年之比較數字並無重列(財務影響見附註2A)。

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### 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (CONTINUED)

#### Business Combinations (CONTINUED)

##### Goodwill (CONTINUED)

In the current year, the Group has also applied HKAS 21 The effects of Changes in Foreign Exchange Rates which requires goodwill to be treated as assets and liabilities of the foreign operation and translated at closing rate at each balance sheet date. Previously, goodwill arising on acquisitions of foreign operations was reported at the historical rate at each balance sheet date. In accordance with the relevant transitional provision in HKAS 21, goodwill arising on acquisitions prior to 1 April 2005 is treated as a non-monetary foreign currency item. Therefore, no prior period adjustment has been made.

*Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill")*

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition ("discount on acquisition") is recognised immediately in profit or loss in the period in which the acquisition takes place. In previous years, negative goodwill arising on acquisitions prior to 1 April 2001 was held in reserves, and negative goodwill arising on acquisitions after 1 April 2001 was presented as a deduction from assets and released to income based on an analysis of the circumstances from which the balance resulted. In accordance with the relevant transitional provisions in HKFRS 3, the Group derecognised all negative goodwill on 1 April 2005 (of which negative goodwill of HK\$1,097,000 was previously recorded in reserves and of HK\$11,452,000 was previously presented as a deduction from assets). A corresponding adjustment to the Group's retained earnings of HK\$12,549,000 has been made.

### 2. 採用香港財務報告準則／會計政策變動 (續)

#### 業務合併 (續)

##### 商譽 (續)

於本年度，本集團亦已採納香港會計準則第21號「匯率變動之影響」，該項準則規定商譽須被視為海外業務之資產及負債處理，並於每個結算日按收市匯率換算。過往，收購海外業務產生之商譽於每個結算日按過往匯率報告。根據香港會計準則第21號之有關過渡性條文，於二零零五年四月一日前因收購產生之商譽視為非貨幣性外幣項目處理。因此，概無作出前期調整。

*本集團於被收購公司之可識別資產、負債及或然負債公平淨值中之權益超出成本之差額 (前稱「負商譽」)*

根據香港財務報告準則第3號，本集團於被收購公司之可識別資產、負債及或然負債公平淨值中之權益超出收購成本之任何差額(「收購折讓」)乃於收購發生期間即時確認為損益。於過往年度，於二零零一年四月一日前因收購而產生之負商譽計入儲備，而於二零零一年四月一日後因收購產生之負商譽則根據得出結餘之情況分析，列為資產扣減並撥回收益。根據香港財務報告準則第3號之相關過渡性條文，本集團不再確認於二零零五年四月一日之所有負商譽(其中1,097,000港元負商譽以往呈列為儲備，而11,452,000港元負商譽以往列為資產之扣減)，並已就本集團之保留盈利作出相應調整12,549,000港元。

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## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### Share-based Payment

In the current year, the Group has applied HKFRS 2 Share-based Payment which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of share options granted to directors and employees of the Company, determined at the date of grant of the share options, over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. The Group has applied HKFRS 2 to share options granted on or after 1 April 2005. In relation to share options granted before 1 April 2005, the Group chooses not to apply HKFRS 2 with respect to share options granted on or before 7 November 2002 and vested before 1 April 2005.

## 2. 採用香港財務報告準則／會計政策變動(續)

### 以股份支付之支出

於本年度，本集團應用香港財務報告準則第2號以股份支付之支出，該準則規定倘本集團以股份或股份權利換取購貨或取得服務（「股本結算交易」），或以相當於指定數目股份或股份權利之其他等值資產換取（「現金結算交易」），則須確認為開支。香港財務報告準則第2號對本集團之主要影響與授予本公司董事及僱員購股權按購股權授出購股權日期釐定之公平值於歸屬期間支銷相關。應用香港財務報告準則第2號前，本集團於該等購股權獲行使前不會確認有關財務影響。本集團已就二零零五年四月一日或之後授出之購股權應用香港財務報告準則第2號。就於二零零五年四月一日前已授出之購股權而言，本集團選擇不就二零零二年十一月七日或之前授出而於二零零五年四月一日前已歸屬之購股權應用香港財務報告準則第2號。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報告附註

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### 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (CONTINUED)

#### Financial Instruments

In the current year, the Group has applied HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 Financial Instruments: Recognition and Measurement. HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1 April 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The application of HKAS 32 has had no material impact on how financial instruments of the Group are presented for current and prior accounting periods. The principal effects resulting from the implementation of HKAS 39 are summarised below:

#### *Classification and measurement of financial assets and financial liabilities*

The Group has applied the relevant transitional provisions in HKAS 39 with respect to the classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

### 2. 採用香港財務報告準則／會計政策變動（續）

#### 金融工具

於本年度，本集團應用香港會計準則第32號「金融工具：披露及呈列」，以及香港會計準則第39號「金融工具：確認及計量」。香港會計準則第32號須追溯應用，而香港會計準則第39號於二零零五年四月一日或之後開始之年度期間生效，一般規定不得按追溯基準確認、剔除確認或計量金融資產及負債。應用香港會計準則第32號並無對本集團之金融工具於現時及過往會計期間之呈列方式構成重大影響。採納香港會計準則第39號產生之主要影響概述如下：

#### 金融資產及金融負債分類及計量

本集團已就香港會計準則第39號所屬範圍內之金融資產及金融負債分類及計量應用香港會計準則第39號之有關過渡性條文。

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### 綜合財務報告附註

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## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### Financial Instruments (CONTINUED)

*Classification and measurement of financial assets and financial liabilities (CONTINUED)*

By 31 March 2005, the Group classified and measured its debt and equity securities in accordance with the benchmark treatment of Statement of Standard Accounting Practice 24 ("SSAP 24"). Under SSAP 24, investments in debt or equity securities are classified as "investment securities", "other investments" or "held-to-maturity investments" as appropriate. "Investment securities" are carried at cost less impairment losses (if any) while "other investments" are measured at fair value, with unrealised gains or losses included in profit or loss. Held-to-maturity investments are carried at amortised cost less impairment losses (if any). From 1 April 2005 onwards, the Group has classified and measured its debt and equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables", or "held-to-maturity financial assets". "Financial assets at fair value through profit or loss" and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. Available-for-sale equity investments that do not have quoted market prices in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost less impairment after initial recognition. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method after initial recognition.

## 2. 採用香港財務報告準則／會計政策變動 (續)

### 金融工具 (續)

*金融資產及金融負債分類及計量 (續)*

於二零零五年三月三十一日前，本集團根據會計實務準則第24號（「會計實務準則第24號」）之基準處理法分類及計量其債務及股本證券。根據會計實務準則第24號，債務或股本證券之投資按適用情況分類為「投資證券」、「其他投資」或「持至到期投資」。「投資證券」按成本減去減值虧損（如有）列賬，而「其他投資」則按公平值計量，未變現收益或虧損則計入損益。持至到期投資乃按已攤銷成本減去減值虧損（如有）列賬。自二零零五年四月一日起，本集團已根據香港會計準則第39號將其債務及股本證券分類及計量。根據香港會計準則第39號，金融資產分類為「按公平值列賬並在損益表處理之金融資產」、「可供出售金融資產」、「貸款及應收款項」或「持至到期金融資產」。「按公平值列賬並在損益表處理之金融資產」及「可供出售金融資產」乃按公平值列賬，而公平值之變動分別於損益及股本中確認。在活躍市場上並無已報市價之可供出售股本投資，其公平值無法可靠地計量，與該等非上市股本工具有關並須以交付該等工具結算之衍生工具，則須於初步確認後按成本減去減值計量。「貸款及應收款項」及「持至到期金融資產」則於初步確認後以實際權益法按攤銷成本列賬。

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### 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (CONTINUED)

#### Financial Instruments (CONTINUED)

*Classification and measurement of financial assets and financial liabilities (CONTINUED)*

On 1 April 2005, the Group classified and measured its debt and equity securities in accordance with the transitional provisions of HKAS 39. As a result, other investment amounted to HK\$2,311,000 has been classified as “financial assets at fair value through profit or loss” on 1 April 2005 (see Note 2A for the financial impact).

*Financial assets and financial liabilities other than debt and equity securities*

From 1 April 2005 onwards, the Group has classified and measured its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as “financial assets at fair value through profit or loss”, “available-for-sale financial assets”, “loans and receivables” or “held-to-maturity financial assets”. Financial liabilities are generally classified as “financial liabilities at fair value through profit or loss” or “other financial liabilities”. Financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being recognised in profit or loss directly. Other financial liabilities are carried at amortised cost using the effective interest method after initial recognition. The adoption of HKAS 39 has had no material effect on how the results for the current accounting period are prepared and presented.

### 2. 採用香港財務報告準則／會計政策變動 (續)

#### 金融工具 (續)

*金融資產及金融負債分類及計量 (續)*

於二零零五年四月一日，本集團根據香港會計準則第39號之過渡性條文將其債務及股本證券分類及計量。因此，金額為2,311,000港元之其他投資已於二零零五年四月一日獲分類為「按公平值列賬並在損益表內處理之金融資產」(有關財務影響見附註2A)。

*債務及股本證券以外之金融資產及金融負債*

自二零零五年四月一日開始，本集團就債務及股本證券以外之金融資產及金融負債(以往不屬於會計實務準則第24號範圍)按照香港會計準則第39號之規定進行分類及計量。如上文所述，香港會計準則第39號將金融資產分類為「按公平值列賬並在損益表內處理之金融資產」、「可供出售金融資產」、「貸款及應收款項」及「持至到期金融資產」。金融負債一般分類為「按公平值列賬並在損益表內處理之金融負債」或「其他金融負債」。按公平值列賬並在損益表內處理之金融負債以公平值計值，而公平值之變動在損益表內直接確認。其他金融負債於初步確認後以實際權益法按攤銷成本列賬。香港會計準則第39號對本會計期間之業績之編製及呈列方式並無重大影響。

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## 綜合財務報告附註

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## 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### Owner-occupied Leasehold Interest in Land

In previous years, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current year, the Group has applied HKAS 17 Leases. Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively (see Note 2A for the financial impact).

## 2. 採用香港財務報告準則／會計政策變動(續)

### 業主佔用土地租賃權益

於過往年度，業主佔用租賃土地及樓宇列入物業、廠房及設備，並按成本模式計量。於本年度，本集團已應用香港會計準則第17號「租約」。根據香港會計準則第17號，就租約分類而言，土地及樓宇租賃之土地及樓宇項目會獨立計算，惟租約款項不能於土地及樓宇項目間可靠分配則除外，於此情況下，整項租賃一般被當作融資租約。倘租賃款項可於土地及樓宇項目之間可靠分配，土地之租賃權益會重新分類至經營租約下預付租金，按成本列賬及於租期以直線法攤銷。是項會計政策變動已追溯應用(財務影響見附註2A)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報告附註

For the year ended 31 March 2006  
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### 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (CONTINUED)

#### Investment Properties

In the current year, the Group has, for the first time, applied HKAS 40 Investment Property. The Group has elected to use the cost model to account for its investment properties, under which investment properties are carried at cost less accumulated depreciation and accumulated impairment losses (if any). In previous years, investment properties under the predecessor Standard were measured at open market values, with revaluation surplus or deficits credited or charged to property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the property revaluation reserve was charged to the consolidated income statement. Where a decrease had previously been charged to the consolidated income statement and a revaluation surplus subsequently arose, that increase was credited to the consolidated income statement to the extent of the decrease previously charged. The Group has applied the relevant transitional provisions in HKAS 40 and elected to apply HKAS 40 from 1 April 2005 onwards. The amount held in the property revaluation reserve at 1 April 2005 has been transferred to the Group's retained earnings (see Note 2A for the financial impact).

### 2. 採用香港財務報告準則／會計政策變動 (續)

#### 投資物業

於本年度，本集團首次採用了香港會計準則第40號「投資物業」。本集團已選擇採用成本模式為其投資物業計價，即將投資物業以其成本減去累積折舊及累積減值虧損(如有)列賬。於過往年度，過往準則項下之投資物業按公開市值計量，而重估盈餘或虧絀則計入或扣除物業重估儲備，惟此儲備之結餘不足以彌補重估減少則作別論，在此情況下，重估減少超出物業重估儲備結餘之數額已於綜合收益表扣除。倘在此前已於綜合收益表扣除該減少，而其後產生重估盈餘，則有關增加已計入綜合收益表，惟以此前扣除之減少為限。本集團已採納香港會計準則第40號之有關過渡性條文，並選擇自二零零五年四月一日起採納香港會計準則第40號。於二零零五年四月一日儲存於物業重估儲備中之金額已轉移至本集團之保留溢利中(財務影響見附註2A)。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報告附註

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#### 2A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the changes in the accounting policies described above on the results for the current and prior years are as follows:

#### 2A. 會計政策變動之影響摘要

上述會計政策變動對本年度及以往年度之影響如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Non-amortisation of goodwill	不攤銷商譽	996	-
Decrease in negative goodwill released to income of associates	負商譽撥入聯營公司收入減少	(602)	-
Depreciation of investment properties	投資物業之折舊	(272)	-
Decrease in loss for the year	年內虧損減少	122	-

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### 2A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The cumulative effects of the application of the new HKFRSs on 31 March 2005 and 1 April 2005 are summarised below:

### 2A. 會計政策變動之影響摘要 (續)

於二零零五年三月三十一日及二零零五年四月一日，應用新香港財務報告準則之累計影響概述如下：

	As at 31 March 2005 (originally stated) 於二零零五年 三月三十一日 (原列)			Retrospective adjustments 追溯調整		As at 31 March 2005 (restated) 於二零零五年 三月三十一日 (重列)		Prospective adjustments 毋須追溯調整		As at 1 April 2005 (restated) 於二零零五年 四月一日 (重列)	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HKAS 1 香港會計準則 第1號	HKAS 17 香港會計準則 第17號	HK\$'000 千港元	HK\$'000 千港元	HKAS 39 香港會計準則 第39號	HKAS 40 香港會計準則 第40號	HK\$'000 千港元	HK\$'000 千港元
<b>Balance sheet items</b>	<b>資產負債表項目</b>										
Property, plant and equipment	物業、廠房 及設備										
81,945	-	(14,951)	66,994	-	-	-	-	-	-	66,994	
Prepaid lease payments on land use rights	土地使用權 預付租賃款項										
-	-	9,082	9,082	-	-	-	-	-	-	9,082	
Other investments	其他投資										
2,311	-	-	2,311	(2,311)	-	-	-	-	-	-	
Financial assets at fair value through profit or loss	按公平值列賬並在損益 表內處理之金融資產										
-	-	-	-	2,311	-	-	-	-	-	2,311	
Interests in associates	於聯營公司之權益										
18,316	-	-	18,316	-	-	11,452	29,768				
Deferred tax liabilities	遞延稅項負債										
(4,822)	-	-	(4,822)	-	316	-	(4,506)				
<b>Total effects on assets and liabilities</b>	<b>對資產及負債 之總影響</b>										
97,750	-	(5,869)	91,881	-	316	11,452	103,649				
Property revaluation reserve	物業重估儲備										
21,754	-	(8,723)	13,031	-	(1,489)	-	11,542				
Capital reserve	資本儲備										
42,603	-	-	42,603	-	-	3,391	45,994				
Retained earnings	保留盈利										
54,673	-	2,854	57,527	-	1,805	8,061	67,393				
Minority interests	少數股東權益										
-	6,964	-	6,964	-	-	-	6,964				
<b>Total effects on equity</b>	<b>對股權之總影響</b>										
119,030	6,964	(5,869)	120,125	-	316	11,452	131,893				
Minority interests	少數股東權益										
6,964	(6,964)	-	-	-	-	-	-				

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報告附註

For the year ended 31 March 2006  
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#### 2A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The financial effects of the application of the new HKFRSs to the Group's equity on 1 April 2004 are summarised below:

		As originally	Adjustments		As restated
		stated	調整		如重列
		如原列			
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
			HKAS 1	HKAS 17	
			香港會計準則	香港會計準則	
			第1號	第17號	
Retained earnings	保留盈利	56,184	-	2,598	58,782
Property revaluation reserve	物業重估儲備	22,710	-	(8,723)	13,987
Minority interests	少數股東權益	-	6,623	-	6,623
<b>Total effects on equity</b>	<b>對股權之總影響</b>	<b>78,894</b>	<b>6,623</b>	<b>(6,125)</b>	<b>79,392</b>

At the date of authorisation of these consolidated financial statements, the following standards and interpretations and amendments were in issue but not yet effective for the years covered by these consolidated financial statements.

HKAS 1 (Amendment)	Capital Disclosures <sup>1</sup>	香港會計準則第1號 修訂本	資本披露 <sup>1</sup>
HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures <sup>2</sup>	香港會計準則第19號 修訂本	精算盈虧、集團計劃 及披露 <sup>2</sup>
HKAS 21 (Amendment)	Net Investment in a Foreign Operation <sup>2</sup>	香港會計準則第21號 修訂本	海外業務的投資 淨額 <sup>2</sup>
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions <sup>2</sup>	香港會計準則第39號 修訂本	預測集團內公司間交易 的現金流量對沖會計 處理法 <sup>2</sup>
HKAS 39 (Amendment)	The Fair Value Option <sup>2</sup>	香港會計準則第39號 修訂本	公平值期權 <sup>2</sup>

#### 2A. 會計政策變動之影響摘要 (續)

於二零零四年四月一日，應用新香港財務報告準則對本集團股權之財務影響概述如下：

於該等綜合財務報告獲認可當日，已頒佈但於該等綜合財務報告所涵蓋年度尚未生效之準則、詮釋及修訂如下：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報告附註

For the year ended 31 March 2006  
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### 2A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (CONTINUED)

HKAS 39 & HKFRS 4 (Amendments)	Financial Guarantee Contracts <sup>2</sup>
HKFRS 6	Exploration for and Evaluation of Mineral Resources <sup>2</sup>
HKFRS 7	Financial Instruments: Disclosures <sup>1</sup>
HK(IFRIC)-Int 4	Determining whether an Arrangement Contains a Lease <sup>2</sup>
HK(IFRIC)-Int 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds <sup>2</sup>
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market, Waste Electrical and Electronic Equipment <sup>3</sup>
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies <sup>4</sup>
HK(IFRIC)-Int 8	Scope of HKFRS 2 <sup>5</sup>
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives <sup>6</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2007.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2006.

<sup>3</sup> Effective for annual periods beginning on or after 1 December 2005.

<sup>4</sup> Effective for annual periods beginning on or after 1 March 2006.

<sup>5</sup> Effective for annual periods beginning on or after 1 May 2006.

<sup>6</sup> Effective for annual periods beginning on or after 1 June 2006.

The Group has not early applied the new standards and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the financial statements of the Group.

### 2A. 會計政策變動之影響摘要 (續)

香港會計準則第39號及 香港財務報告準則 第4號修訂本	財務擔保合約 <sup>2</sup>
香港財務報告準則第6號	勘探及評估礦物資源 <sup>2</sup>
香港財務報告準則第7號 香港 (IFRIC) 詮釋第4號	金融工具：披露 <sup>1</sup> 確定安排是否包含 租賃 <sup>2</sup>
香港 (IFRIC) 詮釋第5號	對中止運作、復修及環 境重建基金產生的 權益之權利 <sup>2</sup>
香港 (IFRIC) 詮釋第6號	參與特定市場產生的責 任—廢料電器及電子 設備 <sup>3</sup>
香港 (IFRIC) 詮釋第7號	根據香港會計準則第29 號就嚴重通脹經濟的 財務報告採用重列法 <sup>4</sup>
香港 (IFRIC) 詮釋第8號	香港財務報告準則第2號 的範圍 <sup>5</sup>
香港 (IFRIC) 詮釋第9號	重估隱含的衍生工具 <sup>6</sup>

<sup>1</sup> 由二零零七年一月一日或之後開始的年度期間生效。

<sup>2</sup> 由二零零六年一月一日或之後開始的年度期間生效。

<sup>3</sup> 由二零零五年十二月一日或之後開始的年度期間生效。

<sup>4</sup> 由二零零六年三月一日或之後開始的年度期間生效。

<sup>5</sup> 由二零零六年五月一日或之後開始的年度期間生效。

<sup>6</sup> 由二零零六年六月一日或之後開始的年度期間生效。

本集團並未提早應用已頒布但未生效之新訂準則及詮釋。本公司董事預期應用該等準則或詮釋對本集團之財務報告並無重大影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報告附註

For the year ended 31 March 2006  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis except for certain leasehold land and buildings and financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

#### (a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

### 3. 主要會計政策

綜合財務報告乃根據歷史成本編製，惟若干租賃土地及樓宇以及金融工具則如下文所載之會計政策所闡述按公平值計量。

綜合財務報告乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報告載有聯交所證券上市規則及香港公司條例規定之適用披露資料。

#### (a) 綜合賬目基準

綜合財務報告包括本公司及其附屬公司截至每年三月三十一日之財務報告。

於年內所收購或出售之附屬公司自收購生效日期起或截至出售生效日期止（如適用）之業績已計入綜合收益表。

如有需要，附屬公司之財務報表將會作出調整，使其會計政策與本集團其他成員公司所採用者一致。

所有集團內公司間之交易、結餘及收支均於綜合賬目時對銷。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報告附註

For the year ended 31 March 2006  
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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (a) Basis of consolidation (CONTINUED)

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

#### (b) Goodwill

Goodwill arising on an acquisition of subsidiary for which the agreement date is before 1 April 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill arising on acquisitions after 1 April 2001, the Group has discontinued amortisation from 1 April 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

### 3. 主要會計政策 (續)

#### (a) 綜合賬目基準 (續)

少數股東所佔之綜合附屬公司資產淨值與本集團所佔之權益分開呈報。少數股東所佔之資產淨值包括該等權益於原業務合併日期之金額，以及自合併日期以來少數股東應佔權益之變動。適用於少數股東且超過少數股東所佔附屬公司權益之虧損從本集團權益予以分配，惟少數股東有約束責任及可作出額外投資以彌補虧損者則除外。

#### (b) 商譽

收購一間附屬公司(協議日期為於二零零五年四月一日之前)產生之商譽乃指收購成本超過本集團在收購當日應佔相關附屬公司可識別資產及負債之公平值之權益之差額。

對於二零零一年四月一日後因收購產生而原先已資本化之商譽，本集團自二零零五年四月一日起不再繼續攤銷，而有關商譽則每年進行減值測試，以及凡與商譽有關之賺取現金單位可能出現減值之跡象時進行減值測試(見下文會計政策)。

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### 綜合財務報告附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (b) Goodwill (CONTINUED)

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1 April 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the income statement. An impairment loss for goodwill is not reversed in subsequent periods.

### 3. 主要會計政策 (續)

#### (b) 商譽 (續)

收購一間附屬公司(協議日期為於二零零五年四月一日或之後)產生之商譽乃指收購成本超過本集團於收購當日應佔相關附屬公司可識別資產、負債及或然負債公平值之權益之差額。有關商譽乃按成本減任何累積減值虧損列賬。

收購附屬公司產生之資本化商譽乃於綜合資產負債表內分開列賬。

就減值測試而言，收購所產生之商譽乃被分配至各有關賺取現金單位，或賺取現金單位之組別，並預期彼等從收購之協同效應中受益。已獲分配商譽之賺取現金單位每年及凡單位有可能出現減值之跡象時進行減值測試。就於某個財政年度之收購所產生之商譽而言，已獲分配商譽之現金賺取單位於該財政年度完結前進行減值測試。當賺取現金單位之可收回金額少於該單位之賬面值，則減值虧損被分配，藉以削減首先分配至該單位，以及其後以單位各資產之賬面值為基準按比例分配至該單位之其他資產之任何商譽之賬面值。商譽之任何減值虧損乃直接於收益表內予以確認。商譽之減值虧損於其後期間不予撥回。

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### 綜合財務報告附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (b) Goodwill (CONTINUED)

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

#### (c) Excess of an acquirer's interest in the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over cost ("discount on acquisitions")

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the acquisition of a subsidiary, after reassessment, is recognised immediately in the consolidated income statement. As explained in Note 2 above, all negative goodwill as at 1 April 2005 has been derecognised with a corresponding adjustment to the Group's retained earnings.

#### (d) Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

### 3. 主要會計政策 (續)

#### (b) 商譽 (續)

其後出售一間附屬公司，則被資本化之商譽之應佔金額於出售時計入釐定損益之金額。

#### (c) 應佔所收購公司可識別之資產、負債及或然負債之公平值淨額超過成本之差額 (「收購折讓」)

經重新評估後，本集團應佔所收購公司可識別之資產、負債及或然負債之公平值淨額超過收購附屬公司成本之任何差額，則即時於綜合收益表確認。誠如上文附註2所闡述，於二零零五年四月一日之所有負商譽已不再確認，並作出相應調整撥入本集團之保留盈利。

#### (d) 附屬公司之投資

附屬公司之投資乃以成本值減去任何已識別之減值虧損後列於本公司之資產負債表。



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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (e) Interests in associates

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

#### (f) Intangible assets

Intangible assets acquired separately are capitalised at cost and those acquired from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against the profit or loss in the year in which the expenditure is incurred.

### 3. 主要會計政策 (續)

#### (e) 於聯營公司之權益

聯營公司之業績、資產及負債乃以會計權益法納入該等財務報告。根據權益法，於聯營公司之投資乃按成本於綜合資產負債表中列賬，並就本集團分佔該聯營公司之損益及權益變動之收購後變動作出調整，以及減去任何已識別之減值虧損。當本集團分佔某聯營公司之虧損相等於或超出其於該聯營公司之權益(包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司之投資淨額之一部分)，則本集團不再繼續確認其分佔之進一步虧損。額外分佔之虧損乃被備抵，而負債僅以本集團已產生法定或推定責任或代表該聯營公司作出付款者為限被確認。

倘與本集團之一間聯營公司進行一組交易，則損益以本集團於有關聯營公司中之權益為限撇銷。

#### (f) 無形資產

獨立收購之無形資產乃按成本值資本化，而從業務合併所收購之無形資產則以收購當日按公平值資本化。繼初步確認後，成本模式適用於無形資產之類別。業務中產生之無形資產，除發展費用外，不會被資本化，而開支則於產生開支之年度內與損益抵扣。

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### 綜合財務報告附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (f) Intangible assets (CONTINUED)

Useful lives of acquired intangible assets are assessed to be either finite or indefinite. Intangible assets with finite useful lives are stated at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are stated at cost less any subsequent accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Intangible assets are tested for impairment annually either individually or at the cash-generating unit level. Useful lives are also examined on an annual basis and, where applicable, adjustments are made on a prospective basis.

As intangible asset is derecognised on disposal or no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of the intangible asset, calculated as the difference between the net disposal proceeds and the carrying amount of the intangible asset, is recognised in the consolidated income statement in the year the intangible asset is derecognised.

#### *Patents and Trademarks*

Cost incurred on the acquisition of patents and trademarks are capitalised in the consolidated balance sheet and are amortised by equal annual instalments over the estimated useful life of five years. Patents and trademarks are not revalued as there is no active market for these assets.

### 3. 主要會計政策 (續)

#### (f) 無形資產 (續)

所收購之無形資產之可使用年期可按有限年期或無限年期評估。具有有限可用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有無限可使用年期之無形資產則按成本減任何其後累計減值虧損列賬。

有限使用年期無形資產之攤銷根據其估計可使用年期按直線法作出備抵。

無形資產每年按個別或按現金產生單位水平進行減值測試。可使用年期亦按年審閱，並在適用情況下按預計基準作出調整。

無形資產乃在出售時或在預計未來可從繼續使用或出售資產中獲得經濟利益時終止確認，而終止確認無形資產所產生之盈虧（計為出售所得款項淨額與無形資產賬面值之差額），則於該無形資產終止確認之年度之綜合收益表中予以確認。

#### *專利權及商標*

收購專利權及商標產生之費用於綜合資產負債表內撥充資本，並按五年之估計可使用年期每年以相等款額分期攤銷。由於專利權及商標並無活躍市場，故並無作出重估。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (f) Intangible assets (CONTINUED)

##### *Research and development costs*

Cost on research activities is recognised as an expense in the year in which it is incurred.

An internally-generated intangible asset arising from development cost is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses.

Where no internally-generated intangible asset can be recognised, development cost is charged to profit or loss in the year in which it is incurred.

##### *Impairment*

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

### 3. 主要會計政策 (續)

#### (f) 無形資產 (續)

##### *研究及開發成本*

研究活動之費用於產生之年度內確認為開支。

倘預期產生於明確界定項目之開發成本可透過未來商業活動予以補償，則開發成本產生之內部產生無形資產才可獲確認。該資產按其可使用年期以直線法攤銷，並按成本值減其後累計攤銷及任何累計減值虧損列賬。

若無內部產生之無形資產可獲確認，開發成本則於產生之年度內計入損益賬。

##### *減值*

無限使用年期之無形資產及尚未可供使用之無形資產每年進行減值測試，方法為比較其可收回款額與賬面值，而不論是否出現可能減值之任何跡象。倘估計資產之可收回款額低於其賬面值，則資產賬面值須減低至其可收回款額。減值虧損會即時確認為支出。

倘減值虧損其後撥回，則資產賬面值須增加至其經修訂之估計可收回款額，惟該增加之賬面值不得超過過往年度假設並無就資產確認任何減值虧損下而釐定之賬面值。

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### 綜合財務報告附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (f) Intangible assets (CONTINUED)

##### Impairment (CONTINUED)

Intangible assets with finite useful lives are tested for impairment when there is an indication that an asset may be impaired (see the accounting policies in respect of impairment losses for tangible assets below).

#### (g) Property, plant and equipment

Property, plant and equipment other than construction in progress are stated at cost less accumulated depreciation and accumulated impairment losses.

Advantage has been taken of the transitional relief provided by paragraph 80A of HKAS 16 Property, Plant and Equipment from the requirement to make regular revaluations of the Group's land and buildings which had been carried at revalued amounts prior to 30 September 1995, and accordingly no further revaluation of land and buildings is carried out. Prior to 30 September 1995, the revaluation increase arising on the revaluation of these assets was credited to the revaluation reserve. Any future decreases in value of these assets will be dealt with as an expense to the extent that they exceed the balance, if any, on the revaluation reserve relating to a previous revaluation of the same asset. On the subsequent sale or retirement of a revalued asset, the corresponding revaluation surplus is transferred to retained earnings.

Depreciation is provided to write off the cost or valuations of items of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight line method.

### 3. 主要會計政策 (續)

#### (f) 無形資產 (續)

##### 減值 (續)

有限使用年期之無形資產則於出現可能減值之跡象時進行減值測試(見下文有關有形資產減值虧損之會計政策)。

#### (g) 物業、廠房及設備

在建工程以外之物業、廠房及設備按成本減累積折舊及累積減值虧損列賬。

因應香港會計準則第16號「物業、廠房及設備」第80A段規定之過渡性寬限條文，容許毋須就本集團之土地及樓宇(於一九九五年九月三十日前按重估價值入賬者)進行定期重估，因此不再進行土地及樓宇之重估。於一九九五年九月三十日前，因重估該等資產而產生之重估增值均列入重估儲備。未來該等資產之價值減少至超過於早前重估該項資產之重估儲備結餘(如有)時，差額則列作開支。其後出售或棄用重估資產時之相應重估盈餘乃轉入保留盈利內。

物業、廠房及設備項目之折舊按其估計可使用年期並計及其估計剩餘價值以直線法撇銷其成本值或估值。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (g) Property, plant and equipment (CONTINUED)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year in which the item is derecognised.

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Construction in progress is stated at cost, less any identified impairment losses. Costs include all development expenditure and other direct cost attributes to such projects. Upon completion of construction, the relevant costs are transferred to appropriate categories of property, plant and equipment when they are ready for use.

No depreciation or amortisation is provided on construction in progress until the asset is completed and put into use.

#### (h) Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties using the straight-line method.

### 3. 主要會計政策 (續)

#### (g) 物業、廠房及設備 (續)

於物業、廠房及設備項目出售後或當預計不會因持續使用資產而產生未來經濟效益時，該項物業、廠房及設備解除確認。因解除確認資產而產生之任何盈虧(按該項資產之出售所得款項淨額與賬面值之差額計算)於該項資產被解除確認之年度計入收益表。

根據融資租賃持有之資產乃於其估計可使用年期或相關租賃年期(取較短者)按與自置資產相同之基準折舊。

在建工程乃按成本值減任何已識別減值虧損入賬。成本值包括所有發展開支及其他該等項目應佔之直接成本。完成建築工程時，有關成本於物業、廠房及設備可供使用時撥入物業、廠房及設備項下之適當類別。

在建工程不會折舊或攤銷，直至資產完成及可投入使用時為止。

#### (h) 投資物業

於初步確認時，投資物業按成本計量，包括任何直接應佔開支。於初步確認後，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。採用直線法計提折舊，以撇銷投資物業之成本。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (h) Investment properties (CONTINUED)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year in which the item is derecognised.

#### (i) Land use rights

Land use rights are stated at cost less accumulated amortisation and accumulated impairment losses. The cost of land use rights is amortised on a straight-line basis over the period of the land use rights or the term of the respective enterprise to which the land use rights are granted, whichever is the shorter.

#### (j) Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a Group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 3. 主要會計政策 (續)

#### (h) 投資物業 (續)

當投資物業出售或永久停止使用或預計不會從出售該項物業中獲得未來經濟利益時，即不再確認該項投資物業。不再確認某項資產所產生之任何收益或虧損(按出售所得款項淨額與該資產之賬面值兩者之差額計算)，於不再確認該項目之年度計入收益表。

#### (i) 土地使用權

土地使用權乃按成本值減累計攤銷及累計減值虧損列賬。土地使用權之成本乃以直線法按土地使用權之期間或授出土地使用權之相關公司之持有年期(以較短者為準)攤銷。

#### (j) 金融工具

金融資產及金融負債乃於某集團實體成為工具合同條文之訂約方時在資產負債表上確認。金融資產及金融負債起初按公平值計量。收購或發行金融資產及資產負債直接應佔之交易成本(按公平值計入損益之金融資產及金融負債除外)乃於初步確認時加入金融資產或金融負債之公平值或自金融資產或金融負債之公平值內扣除(倘適用)。收購透過損益以公平值列賬之金融資產或金融負債直接應佔之交易成本即時於損益賬內確認。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (j) Financial instruments (CONTINUED)

##### *Financial assets*

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

### 3. 主要會計政策 (續)

#### (j) 金融工具 (續)

##### *金融資產*

本集團之金融資產分類為四個類別之一，包括以按公平值列賬並在損益表內處理之金融資產、貸款及應收款項、持至到期之投資及可供銷售之金融資產。所有定期購買或出售金融資產乃按交易日基準確認及取消確認。定期購買或出售乃購買或銷售金融資產，並要求於市場上按規則或慣例設定之時間框架內付運資產；所採納之與各類金融資產有關之會計政策乃載於下文。

##### *按公平值列賬並在損益表內處理之金融資產*

按公平值列賬並在損益表內處理之金融資產分為兩類，包括持作買賣之金融資產及於初步確認時被指定按公平值列賬並在損益表內處理之金融資產。於初步確認後之各結算日，按公平值列賬並在損益表內處理之金融資產乃按公平值計量，而公平值之變動在彼等產生之期間內直接在損益表中確認。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (j) Financial instruments (CONTINUED)

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables including trade and bills receivables, deposits and other receivables and bank balances are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

##### *Financial liabilities and equity*

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### 3. 主要會計政策 (續)

#### (j) 金融工具 (續)

##### *貸款及應收款項*

貸款及應收款項指並非於活躍市場報價而具備固定或可釐定款項之非衍生工具金融資產。於初步確認後各結算日，貸款及應收款項(包括應收貨款及應收票據、存款及其他應收款項以及銀行結存)均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬。減值虧損乃當可客觀證明資產減值時於損益中確認，並按該資產之賬面值與按原先實際利率折讓之估計未來現金流量之現值兩者之差額計量。當資產之可收回數額增加乃客觀地與於確認減值後所引致之事件有關時，則減值虧損會於其後期間予以回撥，惟該資產於減值被回撥當日之賬面值不得超過未確認減值時之已攤銷成本。

##### *金融負債及股權*

集團實體發行之金融負債及股權工具乃根據所訂立之合約安排之性質以及金融負債及股權工具之定義而分類。



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### 綜合財務報告附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (j) Financial instruments (CONTINUED)

##### *Financial liabilities and equity (CONTINUED)*

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified as other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

##### *Other financial liabilities*

Other financial liabilities including trade payables, other payables and accruals, obligations under finance leases and bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method.

##### *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

##### *Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

### 3. 主要會計政策 (續)

#### (j) 金融工具 (續)

##### *金融負債及股權 (續)*

股權工具為證明於集團經扣除其所有負債後之資產中所剩餘權益之任何合約。本集團之金融負債一般分類為其他金融負債。本集團就金融負債及股權工具而採納之會計政策載於下文。

##### *其他金融負債*

其他金融負債(包括應付貨款、其他應付款項及應計負債、融資租賃之承擔、以及銀行及其他借貸)乃隨後採用實際利率法按已攤銷成本計量。

##### *股權工具*

本公司發行之股權工具乃按收取之所得款項(扣除直接發行成本)入賬。

##### *取消確認*

當應收資產現金流量之權利屆滿，或金融資產被轉讓而本集團已轉讓金融資產擁有權之絕大部分風險及回報時，該等金融資產會取消確認。於取消確認金融資產時，該項資產賬面值與已收代價及於權益直接確認之累計盈虧總數兩者之差額會於損益賬確認。

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### 綜合財務報告附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (j) Financial instruments (CONTINUED)

##### *Derecognition (CONTINUED)*

For financial liabilities, they are removed from the Group's balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expired). The difference between the carrying amount of the financial liability derecognised and the consideration received or receivable is recognised in profit or loss.

#### (k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

#### (l) Impairment losses (other than goodwill and intangible assets (see the accounting policies in respect of goodwill and intangible assets above))

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amounts, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

### 3. 主要會計政策 (續)

#### (j) 金融工具 (續)

##### *取消確認 (續)*

當有關合約所訂明之責任獲解除、註銷或屆滿時，金融負債會自本集團之資產負債表剔除。獲取消確認之金融負債之賬面值與已收或應收代價兩者之差額於損益表確認。

#### (k) 存貨

存貨乃按成本及可變現淨值之較低者列賬。成本按照加權平均法計算。

#### (l) 減值虧損 (不包括商譽及無形資產 (見上文有關商譽及無形資產之會計政策))

於各結算日，本集團會檢討其資產之賬面值，以確定該等資產有否出現減值虧損之任何跡象。倘估計資產之可收回數額低於其賬面值，則該資產之賬面值將減至其可收回數額之水平，並會即時將減值虧損確認為開支，惟倘有關資產根據另一項準則按重估值入賬，則有關減值虧損將根據該準則列作重估減值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報告附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (l) Impairment losses (other than goodwill and intangible assets (see the accounting policies in respect of goodwill and intangible assets above)) (CONTINUED)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other standard.

#### (m) Revenue recognition

Revenue from sales of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and the title has passed. Revenue is measured at the fair value of the consideration received or receivables.

Provision of electroplating services is recognised when the services are rendered.

Dividend income is recognised when the shareholders' right to receive payment has been established.

### 3. 主要會計政策 (續)

#### (l) 減值虧損 (不包括商譽及無形資產 (見上文有關商譽及無形資產之會計政策)) (續)

倘減值虧損其後沖銷，則有關資產之賬面值將增至重新估計之可收回數額，而所增加之賬面值不得超過假設該資產於過往年度並無確認減值虧損而釐定之賬面值。減值虧損之沖銷將即時確認為收入，惟倘有關資產根據另一項準則按重估值入賬，則有關減值虧損之沖銷將根據該另一項準則列作重估增值。

#### (m) 收益確認

銷售貨物之收益於所有權之風險及報酬轉移時確認，一般與貨物交付客戶及所有權轉移之時間相同。收益按已收或應收代價之公平值計量。

提供電鍍服務於有關服務提供時予以確認。

股息收入於股東收取該等款項之權利獲確立時予以確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報告附註

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截至二零零六年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (m) Revenue recognition (CONTINUED)

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Operating lease rental income is recognised on a straight-line basis over the period of the relevant lease terms.

#### (n) Equity settled share-based payment transactions

*Share options granted to directors and employees of the Company*

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve.

### 3. 主要會計政策 (續)

#### (m) 收益確認 (續)

金融資產之利息收入乃按時間基準，並參照未償還本金及適用之實際利率計算，而該利率為確實地將金融資產之預計可用年期內之估計未來現金收入貼現至該資產之賬面淨值之貼現率。

經營租賃之租金收入以直線法於有關租賃年期期間予以確認。

#### (n) 以股本結算股份付款之交易

*授予本公司董事及僱員之購股權*

已接獲服務之公平值參照於授出日期所授出購股權之公平值釐定，以直線法於歸屬期間支銷，並相應增加股本（購股權儲備）。

於行使購股權時，以往於購股權儲備確認之金額，將撥入股份溢價。當購股權失效或於屆滿日期時仍未獲行使，則先前於購股權儲備確認之金額將持續於購股權儲備持有。

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### 綜合財務報告附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (o) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

### 3. 主要會計政策 (續)

#### (o) 稅項

所得稅開支指現時應付稅項及遞延稅項總額。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括已撥往其他年度的應課稅或應扣減之收入及開支項目，亦不包括可作免稅或不可作稅項扣減之項目，故與收益表所列溢利淨值不同。本集團現行稅項責任乃按照結算日訂立或實際上訂立之稅率計算。

遞延稅項及確認從綜合財務報告賬面值與計算應課稅溢利所採用相應稅基之差額所應付或可收回之稅項，以資產負債表負債法處理。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產則於很可能可扣減暫時差額可對銷應課稅溢利時予以確認。如暫時差額由商譽或負商譽或由初次確認一項不影響稅項溢利或會計溢利之交易之其他資產及負債（業務合併除外）所產生，有關資產及負債不予確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報告附註

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截至二零零六年三月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (o) Taxation (CONTINUED)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

### 3. 主要會計政策 (續)

#### (o) 稅項 (續)

遞延稅項負債於附屬公司及聯營公司投資所產生之應課稅暫時差異予以確認，惟本集團能夠控制暫時差異之撥回以及暫時差異不大可能於可見將來撥回則除外。

遞延稅項資產之賬面值乃於各個結算日進行檢討，並予以相應扣減，直至並無足夠應課稅溢利可供全部或部分遞延稅項資產可予應用為止。

遞延稅項按預期適用於負債清償或資產變現期間之稅率計算。遞延稅項從損益賬扣除或計入損益賬，除非遞延稅項關乎直接從權益扣除或直接計入權益之項目，在該情況下遞延稅項亦於權益中處理。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (p) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are recognised in profit or loss in the period in which they arise except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

### 3. 主要會計政策 (續)

#### (p) 外幣

於編製各個別集團實體之財務報告時，以該實體之功能貨幣以外之貨幣（「外幣」）進行之交易乃按於交易日期之現行匯率換算為其功能貨幣（即該實體經營所在之主要經濟環境之貨幣）。於各結算日，以外幣定值之貨幣項目乃按結算日之現行匯率重新換算。按公平值列賬並以外幣定值之非貨幣項目乃按其公平值釐定當日之現行匯率重新換算。按外幣歷史成本計量之非貨幣項目毋須重新換算。

於結算及重新換算貨幣項目時產生之滙兌差額，乃於其產生之期間於損益賬確認，惟倘滙兌差額乃因換算構成本集團於海外業務之淨投資額一部份之貨幣項目而產生者則除外，在此情況下有關滙兌差額於綜合財務報告之股權中確認。重新換算以公平值列賬之非貨幣項目所產生滙兌差額，會計入產生期間之損益賬，惟重新換算非貨幣項目所產生差額之盈虧於股權中直接確認，在此情況下，滙兌差額亦於股權直接確認。

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### 綜合財務報告附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (p) Foreign currencies (CONTINUED)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

#### (q) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other assets are classified as operating leases.

##### *The Group as lessor*

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

### 3. 主要會計政策 (續)

#### (p) 外幣 (續)

就綜合財務報告之呈列而言，本集團海外業務之資產及負債乃按結算日之現行匯率換算為本集團之列賬貨幣(即港元)，而其收入及支出乃按該年度之平均匯率換算，惟倘匯率於該期間內出現大幅波動則除外，而在此情況下採用交易日之現行匯率換算。所產生之滙兌差額(如有)乃確認為股權之獨立部分(滙兌儲備)。該等滙兌差額乃於海外業務售出之期間內於損益賬確認。

#### (q) 租賃

當租約條款將所涉及擁有權之絕大部分風險及回報轉讓予承租人時，租約乃分類為融資租約。所有其他租約均分類為經營租約。

##### *本集團作為出租人*

經營租約之租金收入乃按相關租約年期以直線法於綜合收益表確認。於協商及安排時引致之初步直接成本乃增加至租約資產之賬面值，並按租約年期以直線法確認為一項支出。



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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (q) Leasing (CONTINUED)

*The Group as lessee*

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see accounting policies in respect of borrowing costs).

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

#### (r) Borrowing costs

All other borrowing costs are charged to the consolidated income statement in the year in which they are incurred.

#### (s) Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") and state-managed retirement benefits scheme are charged as an expense as they fall due.

### 3. 主要會計政策 (續)

#### (q) 租賃 (續)

*本集團作為承租人*

按融資租約持有之資產乃按租約開始時之公平值或(倘為較低者)按最低租約付款之現值確認為本集團資產。出租人之相應負債於資產負債表列作融資租約承擔。租約付款按比例於融資費用及減少租約承擔之間作出分配，從而使該等負債之應付餘額之息率固定。融資費用直接於損益中扣除，除非該等費用直接來自合資格資產，在此情況下則根據本集團就借貸成本之一般政策撥作資本(見有關借貸成本之會計政策)。

根據經營租約之應付租金乃按相關租約年期以直線法於損益賬中扣除。因訂立一項經營租約作為獎勵之已收及應收福利乃以直線法按租約年期確認為租金支出減少。

#### (r) 借貸成本

所有其他借貸成本均於其產生年度記入綜合收益表。

#### (s) 退休福利成本

強制性公積金計劃(「強積金」)及國家管理退休福利計劃之供款於到期時支銷。

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#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, management makes various estimates and judgements (other than those involving estimates) based on past experience, expectations of the future and other information. The key source of estimation uncertainty and the critical judgement that can significantly affect the amounts recognised in the financial information is disclosed below:

##### Depreciation of property, plant and equipment and investment properties

Property, plant and equipment and investment properties are depreciated on a straight-line basis over their estimated useful lives, after taking into account of their estimated residual value. The determination of the useful lives and residual values involve management's estimation. The Group assesses annually the residual value and the useful life of the property, plant and equipment and investment properties and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

##### Amortisation of intangible assets

Patents are amortised on a straight-line basis over their estimated useful lives. The determination of the useful lives involve management's estimation. The Group re-assesses the useful life of the patents annually and if the expectation differs from the original estimate, such a difference may impact the amortisation in the year and the estimate will be changed in the future period.

#### 4. 關鍵會計判斷及估計不明朗因素之主要來源

於應用本集團之會計政策時，管理層根據過往之經驗、對前景之預測及其他資料作出多項預計及判斷（涉及估計之判斷除外）。可對財務資料之已確認款額構成重大影響之估計不明朗因素及關鍵判斷之主要來源披露如下：

##### 物業、廠房及設備以及投資物業之折舊

物業、廠房及設備以及投資物業均按其估計可使用年期並經計及其估計剩餘價值，採用直線法進行折舊。釐定可使用年期及剩餘價值涉及管理層之估計。本集團將物業、廠房及設備之剩餘價值及可使用年期每年進行估計，倘預期與原先估計有分別，則該差異可能對本年度之折舊造成影響，而估計亦將會於未來期間改變。

##### 無形資產攤銷

專利權按其估計可使用年期以直線法攤銷。釐定可使用年期涉及管理層之估計。本集團對專利權之可使用年期每年進行重估，倘預期與原先估計有分別，則該差異可能對本年度之攤銷造成影響，而估計亦將會於未來期間改變。

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#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

##### Allowance for bad and doubtful debts

The Group performs ongoing credit evaluations of its customers and adjust credit limits based on payment history and the customer's current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon its historical experience and any specific customer collection issues that its has been identified. Credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses.

##### Write off of inventories

The management of the Group reviews an aging analysis at each balance sheet date, and write off for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and write off for obsolete items.

#### 4. 關鍵會計判斷及估計不明朗因素之主要來源 (續)

##### 呆壞賬撥備

本集團對其客戶進行持續信貸評估，並根據客戶之過往付款紀錄及經審閱客戶目前信貸資料而釐定之現行信譽作出信貸調整。本集團持續監察其客戶之收款及付款，並根據其過往經驗，以及任何已識別特定客戶收款事宜，就估計信貸虧損作出撥備。信貸虧損一直在本集團預期之中，而本集團將會繼續對客戶之收款作出監控及保持合理水平之估計信貸虧損。

##### 存貨撇銷

本集團管理層於各結算日審核賬齡分析，並撇銷確認為不再適合用於生產之過時及滯銷庫存品。本集團於各結算日對每種產品進行盤點，並撇銷過時品種。

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#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

##### Impairment of investment properties

The impairment loss for investment properties are recognised for the amounts by which the carrying amounts exceeds its recoverable amount, in accordance with the Group's accounting policy. The recoverable amounts have been determined based on fair value less costs to sell, which is based on the best information available to reflect the amount that obtainable at each of the balance sheet date, from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs to disposal.

##### Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. As at 31 March 2006, the goodwill was fully impaired.

#### 4. 關鍵會計判斷及估計不明朗因素之主要來源 (續)

##### 投資物業之減值

投資物業之減值虧損乃根據本集團之會計政策就賬面值超出其可收回金額之數額確認。可收回金額乃按照公平值減銷售成本而釐定，並基於所擁有資料以反映知情及自願之各方按公平磋商原則進行交易以出售資產並經扣減出售成本後於各結算日可取得之金額。

##### 商譽減值

釐定商譽是否減值須對獲分配商譽之賺取現金單位之使用價值作出估計。使用價值計算要求本集團估計預期產自賺取現金單位之日後現金流量及合適之折讓率以計算現值。於二零零六年三月三十一日，商譽已被全數減值。

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#### 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade and bills receivables, deposits and other receivables, trade payables, other payables and accruals, obligations under finance leases, bank and other borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### Currency risk

Certain trade receivables and bank borrowings of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

##### Interest rate risk

The Group's exposure to risk for changes in interest rates relates primarily to the Group's interest bearing bank borrowings and obligations under finance leases.

The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

#### 5. 財務風險管理目標及政策

本集團之主要金融工具包括應收貨款、應收票據、按金及其他應收款項、應付貨款、其他應付款項及應計款項、融資租賃之承擔、銀行及其他借貸。該等金融工具詳情於各相關附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當措施。

##### 貨幣風險

本集團若干應收貨款及銀行借貸均以外幣計值。本集團現時尚無外幣對沖政策。然而，管理層監控外匯風險，並將考慮於必要時對沖重大外幣風險。

##### 利率風險

本集團所承受之利率變動風險主要與其計息銀行借貸及融資租賃之承擔有關。

本集團並無任何利率對沖政策。然而，管理層監察利率風險，並將考慮於有需要時對沖重大利率風險。

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### 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 March 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group regularly reviews the recoverable amount of each individual trade receivables at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

#### Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Group's exposure to liquidity risk is minimal.

### 5. 財務風險管理目標及政策 (續)

#### 信貸風險

倘交易對手於二零零六年三月三十一日仍未能履行彼等之承擔，則本集團就每類已確認金融資產而須承受之最大信貸風險為已於綜合資產負債表呈列之資產之賬面款額反映。為降低信貸風險，本集團管理層已委派一組人員負責釐定信貸限額、信貸審批及其他監控程序，確保採取跟進措施以收回逾期未付之債項。此外，於各結算日，本集團定期評估每項個別應收貨款之可收回款額，以確保就不可收回款額所作出足夠之減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

本集團並無重大集中之信貸風險，而有關風險乃分散至多個其他方及客戶。

#### 流動性風險

本集團之目標為透過利用銀行借貸，維持資金持續供應及靈活性之平衡。本集團承擔之流動性風險有限。

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#### 6. Turnover

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, less returns and allowances and provision of electroplating services.

Turnover recognised during the year are as follows:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額		
Sales of goods	銷售貨品	205,920	226,884
Provision of electroplating services	提供電鍍服務	15,215	11,416
		<b>221,135</b>	238,300

#### 7. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provided. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the clocks and other office related products segment engages in the manufacture and marketing of clocks and other office related accessories;
- (b) the lighting products segment engages in the manufacture and marketing of energy saving lighting products;
- (c) the trading segment engages in the trading of metal; and
- (d) the electroplating services segment engages in the provision of electroplating services.

#### 6. 營業額

營業額指銷售貨品之發票值減去折扣及退貨後之銷售；以及提供電鍍服務之收入。年內確認之收益如下：

#### 7. 分類資料

本集團之經營業務按照其不同的操作模式、提供之產品及服務，以不同的架構及管理模式運作。本集團旗下之每個業務分類代表不同的策略性業務單位，其個別提供之產品及服務均受獨立之收益及風險所管制，個別業務亦與其他單位完全不同。業務分類之要詳細如下：

- (a) 時鐘及其他辦公室相關產品業務－製造及銷售時鐘及其他辦公室相關產品；
- (b) 照明產品業務－製造及銷售節能燈產品；
- (c) 貿易業務－金屬貿易；及
- (d) 電鍍服務業務－提供電鍍服務。

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### 7. SEGMENT INFORMATION (CONTINUED)

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

#### (a) Business segments

The following tables present turnover, results and certain assets, liabilities and expenditure information for the Group's business segments.

### 7. 分類資料 (續)

在釐定本集團之地域分類時，其收益及業績乃根據客戶的所在地而計算，而其資產乃根據該資產的所在地區而計算。

#### (a) 業務分類

下表詳列了本集團按業務分類之營業額、業績以及若干資產、負債及開支資料。

		Clocks and other office related products 時鐘及其他 辦公室相關產品		Lighting products 照明產品		Trading 貿易		Electroplating services 電鍍服務		Total 總額	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元
SEGMENT TURNOVER:	分類營業額：										(Restated) (重列)
Sales to external customers	銷售予對外客戶	155,853	158,369	20,488	26,868	29,579	41,647	15,215	11,416	221,135	238,300
SEGMENT RESULTS	分類業績	(20,072)	2,233	(2,391)	2,035	363	1,772	3,463	1,170	(18,637)	7,210
Interest income	利息收入									98	442
Net unallocated expenses	未能攤分支出淨值									(8,391)	(7,243)
Finance costs	融資成本									(2,893)	(3,185)
Gain on disposal of subsidiaries	出售附屬公司之收益									-	1,693
Share of results of associates	應佔聯營公司之業績									-	765
Impairment loss recognised in respect of interests in associates	就於聯營公司之權益所確認之減值虧損									(23,768)	-
Impairment loss recognised in respect of goodwill	就商譽所確認之減值虧損									(17,004)	-
Loss before tax	除稅前虧損									(70,595)	(318)
Income tax expenses	所得稅開支									(1,516)	(1,755)
Loss for the year	年內虧損									(72,111)	(2,073)



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#### 7. SEGMENT INFORMATION (CONTINUED)

##### (a) Business segments (CONTINUED)

The following tables present turnover, results and certain assets, liabilities and expenditure information for the Group's business segments.

		Clocks and other office related products		Lighting products		Trading		Electroplating services		Total	
		時鐘及其他辦公室相關產品		照明產品		貿易		電鍍服務		總額	
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment assets	分類資產	144,396	155,834	12,426	4,750	33,024	52,329	14,881	13,996	204,727	226,909
Interests in associates	於聯營公司之權益									6,000	18,316
Unallocated assets	未能攤分資產									18,902	36,445
Total assets	資產總額									229,629	281,670
Segment liabilities	分類負債	54,726	35,218	11,899	8,824	7	-	2,021	1,545	68,653	45,587
Unallocated liabilities	未能攤分負債									21,135	40,533
Total liabilities	負債總額									89,788	86,120
Other segment information:	其他分類資料										
Capital expenditure	資本性開支	2,138	6,444	144	21	251	-	-	229	2,533	6,694
Unallocated capital expenditure	未能攤分資本性開支									400	68
Depreciation and amortisation	折舊及攤銷	5,189	7,454	538	75	935	997	-	978	6,662	9,504
Unallocated depreciation and amortisation	未能攤分折舊及攤銷									948	1,481
Unallocated impairment losses recognised in the income statement	未能攤分於收益表中已確認之減值虧損									41,343	-
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)虧損	(20)	23	20	-	-	-	-	-	-	23
Unallocated (gain) loss on disposal of property, plant and equipment	未能攤分出售物業、廠房及設備(收益)虧損									(19)	521

#### 7. 分類資料 (續)

##### (a) 業務分類 (續)

下表詳列了本集團按業務分類之收益、業績以及若干資產、負債及開支資料。

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### 7. SEGMENT INFORMATION (CONTINUED)

#### (b) Geographical segments

The following table presents turnover and certain assets and expenditure information for the Group's geographical segments.

	North America		Europe		Hong Kong		People's Republic of China (the "PRC")		Others		Total	
	北美洲		歐洲		香港		中華人民共和國(「中國」)		其他		總額	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment turnover: 分類營業額:												
Sales to external customers: 銷售予對外客戶	84,124	81,344	73,651	83,364	11,476	15,779	47,874	44,209	4,010	13,604	221,135	238,300
Other segment information: 其他分類資料:												
Segment assets: 分類資產	506	637	10,740	19,930	81,091	51,367	127,535	209,736	9,757	-	229,629	281,670
Capital expenditure: 資本性開支	-	-	60	80	17	413	2,456	6,269	400	-	2,933	6,762

### 7. 分類資料 (續)

#### (b) 地區分類

下表載列了本集團按地區分類之營業額、若干資產及開支資料。

### 8. FINANCE COSTS

### 8. 融資成本

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Interest expenses on:	利息開支:		
- bank and other borrowings wholly repayable within five years	- 須於五年內悉數償還之銀行及其他借貸	2,845	3,123
- obligations under finance leases	- 融資租賃之承擔	48	62
		<b>2,893</b>	<b>3,185</b>

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### 綜合財務報告附註

For the year ended 31 March 2006  
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#### 9. LOSS BEFORE TAX

#### 9. 除稅前虧損

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated) (重列)
Loss before tax has been arrived at after charging (crediting):	除稅前虧損已扣除 (計入)下列各項：		
Cost of inventories sold	售出存貨之成本	<b>177,730</b>	173,506
Cost of services provided	提供服務之成本	<b>14,579</b>	8,362
Staff costs (excluding directors' remuneration (note 13)):	員工成本(董事酬金除外 (附註13))：		
Basic salaries and allowances	基本薪金及津貼	<b>41,817</b>	43,131
Retirement benefits scheme contributions	退休福利計劃供款	<b>1,756</b>	296
		<b>43,573</b>	43,427
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	<b>7,091</b>	9,754
Depreciation of investment properties	投資物業之折舊	<b>272</b>	-
Write off of bad and doubtful debts	呆壞賬撇銷	<b>1,796</b>	-
Amortisation of intangible assets (included in administrative expenses)	無形資產攤銷 (計入行政費用)	<b>27</b>	27
Amortisation of goodwill (included in other operating expenses)	商譽攤銷(計入其他 經營費用)	-	996
Amortisation of prepaid lease payments on land use rights (included in administrative expenses)	土地使用權 預付租賃款項攤銷 (計入行政費用)	<b>220</b>	208
Auditors' remuneration	核數師酬金	<b>380</b>	400
Research and development expenditure	研究及開發費用	<b>267</b>	290
Operating leases charges on rented premises	有關出租物業之經營 租賃費用	<b>2,117</b>	1,480

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報告附註

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### 9. LOSS BEFORE TAX (CONTINUED)

### 9. 除稅前虧損 (續)

		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)虧損	(19)	544
Impairment loss on investment properties	投資物業之減值虧損	571	-
Unrealised holding loss on other investments	其他投資之未變現持有虧損	-	103
Write down for inventories	撇銷存貨	8,399	-
Gain arising from change in fair value of financial assets	金融資產之公平值變動產生之收益	(32)	-
Net loss (gain) on foreign exchange	滙兌淨虧損(收益)	1,013	(966)
Gross rental income from investment properties	投資物業之總租金收入	(353)	(517)
Less: direct operating expenses that generated rental income	減：產生租金收入之直接經營開支	166	109
Net rental income from investment properties	投資物業之淨租金收入	(187)	(408)
Interest income	利息收入	(98)	(442)
Write back of allowance for bad and doubtful debts	撥回呆壞賬撥備	(201)	(326)

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#### 10. INCOME TAX EXPENSES

#### 10. 所得稅開支

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
The charge comprises:	有關費用包括：		
Hong Kong Profits Tax	香港利得稅		
– current year	– 本年度	275	401
– Under (over) provision in prior years	– 過往年度之撥備不足(超額撥備)	996	(226)
Tax in other jurisdictions	其他司法權區之稅項		
– current year	– 本年度	245	574
– under-provision in prior years	– 過往年度之撥備不足	–	162
		<b>1,516</b>	911
Deferred taxation (Note 28)	遞延稅項(附註28)	–	844
		<b>1,516</b>	1,755

Hong Kong Profits Tax is calculated at 17.5% (2005: 17.5%) of the estimated assessable profits for the year.

香港利得稅乃根據年內估計應課稅溢利按稅率17.5%(二零零五年: 17.5%)計算。

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

其他司法權區之稅項則按有關司法權區之適用稅率計算。

Pursuant to the laws and regulations in the PRC, certain Group's PRC subsidiaries are exemption from PRC income tax for two years commencing from their first profit-making year of operation and thereafter, these PRC subsidiaries will be entitled to a 50% relief from PRC income tax for the following three years.

根據中國法律及規定，本集團若干中國附屬公司自其首個獲利經營年度起計兩年可獲豁免繳付中國所得稅，其後三年之所得稅則減半。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報告附註

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#### 10. INCOME TAX EXPENSES (CONTINUED)

Subsequent to the balance sheet date, Hong Kong Inland Revenue Department (the "IRD") issued the protective profits tax assessments (the "Protective Assessments") of approximately HK\$1,000,000 relating to years of assessment from 2000/01 to 2003/04 that were raised to a wholly-owned subsidiary of the Company. The Group lodged objection with the IRD against the Protective Assessments on 30 June 2006. The amounts had been provided in the consolidated financial statements.

The tax charges for the year can be reconciled to the loss per the consolidated income statement as follows:

#### 10. 所得稅開支 (續)

於結算日後，香港稅務局（「稅務局」）就二零零零／零一至二零零三／零四課稅年度，向本公司一間全資附屬公司發出保障性利得稅評稅（「保障性評稅」）約1,000,000港元。本集團已於二零零六年六月三十日就保障性評稅向稅務局提出反對。此款項已經於綜合財務報告作出香港利得稅撥備。

本年度稅項支出可與綜合收益表中除稅前虧損對賬如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
Loss before tax	除稅前虧損	<b>(70,595)</b>	(318)
Tax at domestic income tax rate of 17.5% (2005: 17.5%)	按本地所得稅稅率17.5%計算之稅項 (二零零五年：17.5%)	<b>(12,354)</b>	(56)
Tax effect of expenses not deductible for tax purposes	不可用作扣稅用途開支 之稅務影響	<b>14,271</b>	718
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	<b>(540)</b>	(1,249)
Utilisation of tax losses previously not recognised	動用過往並未確認稅項虧損	<b>(421)</b>	(323)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	<b>537</b>	2,651
Under(over) provision in prior years	過往年度撥備不足(超額撥備)	<b>996</b>	(64)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之 附屬公司之不同稅率之影響	<b>(973)</b>	78
Tax expenses for the year	本年度稅項開支	<b>1,516</b>	1,755

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## 綜合財務報告附註

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**11. DIVIDEND**

No dividend was paid or proposed during the two years ended 31 March 2006 and 2005 since the balance sheet date.

**12. LOSS PER SHARE – BASIC**

The calculations of basic loss per share are based on the Group's loss attributable to the equity holders of the Company of HK\$72,149,000 (2005: HK\$2,414,000).

The basic loss per share is based on the weighted average number of 262,478,584 (2005: 261,276,442) ordinary shares in issue during the year.

No diluted loss per share has been presented for the two years ended 31 March 2006 and 2005 as the outstanding during both years had an anti-dilutive effect on the basic loss per share for both years.

**11. 股息**

自結算日起，概無派付或擬派截至二零零六年及二零零五年三月三十一日止兩個年度之股息。

**12. 每股虧損 – 基本**

每股基本虧損乃根據本公司股權持有人應佔本集團虧損72,149,000港元(二零零五年：2,414,000港元)計算。

每股基本虧損乃按照年內已發行普通股之加權平均數262,478,584股(二零零五年：261,276,442股)計算。

因截至二零零六年及二零零五年三月三十一日止兩個年度尚未行使對該兩年年每股基本虧損具反攤薄影響，所以該兩個年度並無呈列每股攤薄虧損。

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### 綜合財務報告附註

For the year ended 31 March 2006  
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### 13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

#### (a) Directors' emoluments

The emoluments paid or payable to each of the 10 (2005: 10) directors were as follows:

**For the year ended 31 March 2006**

Executive directors:	執行董事：				
Liang Jin You	梁金友	–	1,320	12	1,332
Li KwoYuk	李戈玉	–	360	12	372
Leung Kin Yau	梁健友	–	240	12	252
Ou Jian Sheng	歐健生	–	568	2	570
Deng Ju Neng	鄧巨能	–	120	–	120
Lin Dong Hong <sup>1</sup>	林東宏 <sup>1</sup>	–	180	–	180
Chen Vee Yong, Frederick <sup>2</sup>	陳維雄 <sup>2</sup>	–	–	–	–

*Independent non-executive directors:* 獨立非執行董事：

Lo Ming Chi, Charles	勞明智	50	–	–	50
Lo Wah Wai	盧華威	50	–	–	50
Orr, Joseph Wai Shing	柯偉聲	50	–	–	50
		150	2,788	38	2,976

<sup>1</sup> Resigned on 15 March 2006

<sup>2</sup> Appointed on 15 March 2006

### 13. 董事及高級管理人員薪酬

#### (a) 董事薪酬

已付或應付10名(二零零五年：10名)董事各人之薪酬如下：

**截至二零零六年三月三十一日止年度**

#### Other emoluments

#### 其他酬金

Fees	Salaries, allowances and other benefits	Retirement benefits scheme contributions	Total
袍金	薪金、津貼及其他福利	退休福利計劃供款	總額
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元
–	1,320	12	1,332
–	360	12	372
–	240	12	252
–	568	2	570
–	120	–	120
–	180	–	180
–	–	–	–
150	2,788	38	2,976

<sup>1</sup> 於二零零六年三月十五日辭任

<sup>2</sup> 於二零零六年三月十五日獲委任



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### 綜合財務報告附註

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#### 13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

##### (a) Directors' emoluments (CONTINUED)

For the year ended 31 March 2005

#### 13. 董事及高級管理人員薪酬 (續)

##### (a) 董事薪酬 (續)

截至二零零五年三月三十一日止年度

	Fees 袍金	Other emoluments 其他酬金		Total 總額
		Salaries, allowances and other benefits 薪金、津貼及其他福利	Retirement benefits scheme contributions 退休福利計劃供款	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<i>Executive directors:</i> 執行董事：				
Liang Jin You 梁金友	–	1,320	12	1,332
Li Kwo Yuk 李戈玉	–	360	12	372
Leung Kin Yau 梁健友	–	240	12	252
Ou Jian Sheng 歐健生	–	567	1	568
Deng Ju Neng 鄧巨能	–	120	–	120
Lin Dong Hong 林東宏	–	330	–	330
<i>Independent non-executive directors:</i> 獨立非執行董事：				
Lo Ming Chi, Charles 勞明智	50	–	–	50
Lo Wah Wai <sup>1</sup> 盧華威 <sup>1</sup>	120	–	–	120
Orr, Joseph Wai Shing <sup>2</sup> 柯偉聲 <sup>2</sup>	25	–	–	25
Cheung Doi Shu <sup>3</sup> 張岱樞 <sup>3</sup>	25	–	–	25
	220	2,937	37	3,194

<sup>1</sup> Re-designated from non-executive director to independent non-executive director on 30 September 2004

<sup>2</sup> Appointed on 30 September 2004

<sup>3</sup> Resigned on 30 September 2004

<sup>1</sup> 於二零零四年九月三十日由非執行董事調任獨立非執行董事

<sup>2</sup> 於二零零四年九月三十日獲委任

<sup>3</sup> 於二零零四年九月三十日辭任

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報告附註

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### 13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

#### (a) Directors' emoluments (CONTINUED)

No director waived any emoluments in any of the years ended 31 March 2006 and 2005.

The remuneration of directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

#### (b) Senior management's emoluments

Of the five individuals with the highest emoluments in the Group, two (2005: two) were executive directors of the Company whose emoluments are set out above. The emoluments of the remaining three (2005: three) highest paid individuals were as follows:

### 13. 董事及高級管理人員薪酬 (續)

#### (a) 董事薪酬 (續)

於截至二零零六年及二零零五年三月三十一日止年度，概無董事放棄任何薪酬。

薪酬委員會乃就董事個人表現及市場趨勢而釐定董事薪酬。

#### (b) 高級管理人員薪酬

於本集團五名最高薪酬僱員中，兩名(二零零五年：兩名)為本公司執行董事，彼等之薪酬載於上文。餘下之三名(二零零五年：三名)最高薪人士之薪酬如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Salaries, allowances and other benefits	薪金、津貼及其他福利	1,845	1,982
Retirement benefits scheme contributions	退休福利計劃供款	180	243
		<b>2,025</b>	<b>2,225</b>

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### 綜合財務報告附註

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#### 13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

##### (b) Senior management's emoluments (CONTINUED)

The emoluments of the three (2005: three) highest paid employees fall in the following bands:

		Number of individuals 人數	
		2006	2005
Emoluments bands	薪酬範圍		
Nil – HK\$1,000,000	無至1,000,000港元	2	2
HK\$1,000,000 to HK\$1,500,000	1,000,000港元至1,500,000港元	1	1
		<b>3</b>	<b>3</b>

(c) During the year, no emoluments have been paid by the Group to any directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

#### 13. 董事及高級管理層薪酬 (續)

##### (b) 高級管理人員薪酬 (續)

三名(二零零五年: 三名)最高薪酬而屬下列薪酬範圍之僱員載列如下:

(c) 於本年度, 本集團沒有向任何董事或五名最高薪酬之人士支付任何酬金以吸引他們加入或將加入本集團, 或其因失去職位而作出賠償。

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#### 14. INVESTMENT PROPERTIES

#### 14. 投資物業

(a)		HK\$'000 千港元
At 1 April 2004 – open market value	於二零零四年四月一日 – 公開市值	8,000
Disposal of a subsidiary	出售附屬公司	(8,000)
<hr/>		
At 31 March 2005 – open market value	於二零零五年三月三十一日 – 公開市值	–
Transfer from property, plant and equipment (Note 15)	轉撥自物業、廠房及 設備 (附註 15)	7,269
<hr/>		
At 31 March 2006	於二零零六年三月三十一日	7,269
<hr/>		
DEPRECIATION AND IMPAIRMENT	折舊及減值	
At 1 April 2005	於二零零五年四月一日	–
Provided for the year	本年度撥備	272
Impairment loss recognised in profit or loss	於損益表確認之 減值虧損	571
<hr/>		
At 31 March 2006	於二零零六年三月三十一日	843
<hr/>		
CARRYING AMOUNTS	賬面值	
At 31 March 2006	於二零零六年三月三十一日	6,426
<hr/>		
At 31 March 2005 – open market value	於二零零五年三月三十一日 – 公開市值	–

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### 綜合財務報告附註

For the year ended 31 March 2006  
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#### 14. INVESTMENT PROPERTIES (CONTINUED)

- (b) The Group has applied the relevant transitional provisions in HKAS 40 and resolved to deem the carrying amount of the investment properties immediately before 1 April 2005 as cost. Depreciation commences on 1 April 2005.
- (c) In the opinion of the directors of the Company, the fair value of the Group's investment properties at 31 March 2006 is approximately HK\$6,426,000. The fair value was determined by reference to recent market prices for similar properties.
- (d) The above investment properties are depreciated on a straight-line basis over the shorter of the term of the leases or 20 years.
- (e) The carrying value of investment properties shown above comprises medium-term leasehold land and buildings situated in:

#### 14. 投資物業 (續)

- (b) 本集團已應用香港會計準則第40號之相關過渡性條文，並議決將緊接二零零五年四月一日前之投資物業賬面值視作成本。本集團於二零零五年四月一日開始計提折舊。
- (c) 本公司董事認為，本集團投資物業於二零零六年三月三十一日之公平值約為6,426,000港元。公平值乃參照類似物業之近期市價釐定。
- (d) 上述投資物業乃按租期或20年兩者之較短者根據直線法折舊。
- (e) 上列投資物業之賬面值包括位於下列地區之中期租賃土地及樓宇：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Hong Kong	香港	4,206	-
Outside Hong Kong	香港以外地區	2,220	-
		<b>6,426</b>	-

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### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇	Leasehold improvements 租約物業 之裝修	Construction in progress 在建工程	Plant and Machinery 廠房及機器	Furniture, equipment and motor vehicles 傢俬、設備 及汽車	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>COST OR VALUATION</b>	<b>成本或估值</b>						
At 1 April 2004	於二零零四年四月一日						
– as originally stated	一如原列	112,045	4,872	3,062	52,146	48,142	220,267
Reclassified to prepaid lease payments on land use rights	重新分類至土地使用權預付租賃款項	(19,487)	–	–	–	–	(19,487)
At 1 April 2004 as restated	於二零零四年四月一日 (如重列)	92,558	4,872	3,062	52,146	48,142	200,780
Exchange realignment	滙兌調整	–	–	–	49	25	74
Additions	添置	3,564	–	562	585	2,051	6,762
Transfer	轉撥	2,439	549	(3,614)	–	626	–
Disposals	出售	(2,266)	–	–	(2,038)	(374)	(4,678)
Disposal of subsidiaries	出售附屬公司	(14,477)	(2,901)	–	–	(303)	(17,681)
At 31 March 2005	於二零零五年三月三十一日	81,818	2,520	10	50,742	50,167	185,257
Exchange realignment	滙兌調整	1,236	16	–	460	363	2,075
Additions	添置	–	–	649	935	1,349	2,933
Transfer	轉撥	–	–	(282)	–	282	–
Transfer to investment properties	轉撥至投資物業	(9,255)	–	–	–	–	(9,255)
Disposals	出售	–	–	–	(345)	(683)	(1,028)
At 31 March 2006	於二零零六年三月三十一日	73,799	2,536	377	51,792	51,478	179,982
Comprising:	包括:						
At cost	按成本	48,725	2,536	377	51,792	51,478	154,908
At valuation – 1995	按估值 – 一九九五年	25,074	–	–	–	–	25,074
		73,799	2,536	377	51,792	51,478	179,982

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#### 15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 15. 物業、廠房及設備 (續)

		Leasehold land and buildings 租賃土地 及樓宇	Leasehold improvements 租約物業 之裝修	Construction in progress 在建工程	Plant and Machinery 廠房及機器	Furniture, equipment and motor vehicles 傢俬、設備 及汽車	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>ACCUMULATED DEPRECIATION AND AMORTISATION</b>	<b>累積折舊及攤銷</b>						
At 1 April 2004	於二零零四年						
– as originally restated	四月一日 (如原列)	30,630	1,485	–	45,937	41,409	119,461
Reclassified to prepaid lease payments on land use rights	重新分類至土地 使用權預付 租賃款項	(4,072)	–	–	–	–	(4,072)
At 1 April 2004 as restated	於二零零四年 四月一日(如重列)	26,558	1,485	–	45,937	41,409	115,389
Exchange realignment	滙兌調整	–	–	–	35	16	51
Provided for the year	本年度撥備	3,658	413	–	2,446	3,237	9,754
Disposals	出售	(975)	–	–	(2,038)	(308)	(3,321)
Disposal of subsidiaries	出售附屬公司	(2,598)	(914)	–	–	(98)	(3,610)
At 31 March 2005	於二零零五年 三月三十一日	26,643	984	–	46,380	44,256	118,263
Exchange realignment	滙兌調整	428	–	–	432	254	1,114
Charge for the year	本年度支出	2,794	273	–	1,413	2,611	7,091
Transfer to investment properties	轉撥至投資物業	(1,986)	–	–	–	–	(1,986)
Eliminated on disposals	出售時對銷	–	–	–	(336)	(663)	(999)
At 31 March 2006	於二零零六年 三月三十一日	27,879	1,257	–	47,889	46,458	123,483
<b>CARRYING VALUES</b>	<b>賬面值</b>						
At 31 March 2006	於二零零六年 三月三十一日	45,920	1,279	377	3,903	5,020	56,499
At 31 March 2005	於二零零五年 三月三十一日	55,175	1,536	10	4,362	5,911	66,994

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### 15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land	Over the lease terms
Leasehold buildings	5%
Leasehold improvements	Over the shorter of the term of leases or 15%
Plant and machinery	20%
Furniture, equipment and motor vehicles	15% to 25%

*Notes:*

An analysis of the cost or valuation of the leasehold land and buildings of the Group at the balance sheet date is as follows:

### 15. 物業、廠房及設備 (續)

上述物業、廠房及設備項目乃以直線法按下列年率計提折舊：

租賃土地	按租約年期
租賃樓宇	5%
租賃物業裝修	按租約年期 或15%之 間較短者
廠房及機器	20%
傢俬、設備及汽車	15%至25%

*附註：*

於結算日，本集團之租賃土地及樓宇成本或估值分析如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
Long-term leasehold land and buildings in:	長期租賃土地及樓宇：		
Outside Hong Kong	香港以外	<b>12,564</b>	12,956
Medium-term leasehold land and buildings in:	中期租賃土地及樓宇：		
Hong Kong	香港	<b>15,621</b>	20,747
Outside Hong Kong	香港以外	<b>15,090</b>	18,553
		<b>30,711</b>	39,300
Short-term leasehold land and buildings in:	短期租賃土地及樓宇：		
Outside Hong Kong	香港以外	<b>2,645</b>	2,919



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#### 15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The valuation of the leasehold land and buildings was carried out by Knight, Frank & Kan, an independent firm of professionally property valuers, on an open market, existing use basis as at 31 January 1995. No further valuation will be carried out on these land and buildings. Had the revalued assets been valued at their cost less accumulated depreciation and impairment losses, the total carrying amount of land and buildings as at 31 March 2006 would be restated at approximately HK\$6,653,000 (2005: HK\$6,955,000).

The carrying amount of assets held under finance leases included in the total amount of plant and machinery and motor vehicles of the Group as at 31 March 2006 amounted to HK\$901,000 (2005: HK\$621,000).

#### 15. 物業、廠房及設備 (續)

租賃土地及樓宇之估值由獨立專業估值師行簡福飴測量行根據公開市值及現用基準於一九九五年一月三十一日評估，而將不會就該等土地及樓宇再進行估值。當按成本減累積折舊及減值虧損重估資產，於二零零六年三月三十一日之土地及樓宇之賬面總值重列約為6,653,000港元(二零零五年：6,955,000港元)。

於二零零六年三月三十一日根據融資租賃持有之資產賬面值(包括於本集團廠房及機器及汽車總額)為901,000港元(二零零五年：621,000港元)。

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16. PREPAID LEASE PAYMENTS ON LAND  
USE RIGHTS

16. 土地使用權預付租賃款項

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
The Group's prepaid lease payments on land use rights comprise:	本集團之土地使用權預付租賃款項包括：		
Leasehold land in the PRC:	位於中國之租賃土地：		
Short-term lease	短期租賃	1,339	1,277
Medium-term lease	中期租賃	2,649	2,610
Long lease	長期租賃	5,240	5,195
		<b>9,228</b>	9,082
Analysed for reporting purposes as:	為呈報目的所作分析：		
Non-current asset	非流動資產	9,008	8,874
Current asset	流動資產	220	208
		<b>9,228</b>	9,082

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#### 17. INTANGIBLE ASSETS

#### 17. 無形資產

		Patents and trademarks 專利權及商標 HK\$'000 千港元
<b>COST</b>	<b>成本</b>	
At 1 April 2004 and 31 March 2005	於二零零四年四月一日及 二零零五年三月三十一日	1,771
Exchange realignment	滙兌調整	(37)
<hr/>		
At 31 March 2006	於二零零六年三月三十一日	1,734
<b>ACCUMULATED AMORTISATION</b>	<b>累積攤銷</b>	
At 1 April 2004	於二零零四年四月一日	1,705
Charge for the year	本年度攤銷	27
<hr/>		
At 31 March 2005	於二零零五年三月三十一日	1,732
Exchange realignment	滙兌調整	(25)
Charge for the year	本年度攤銷	27
<hr/>		
At 31 March 2006	於二零零六年三月三十一日	1,734
<b>CARRYING VALUES</b>	<b>賬面值</b>	
At 31 March 2006	於二零零六年三月三十一日	-
<hr/>		
At 31 March 2005	於二零零五年三月三十一日	39

Patents and trademarks have definite useful lives and amortised on a straight-line basis over five years.

專利權及商標之可用年期有限，且按直線法於五年內攤銷。

The directors have reviewed the carrying values of the Group's intangible assets as at the balance sheet date. The carrying value was estimated to be its fair value.

董事已審閱本集團於結算日之無形資產賬面值。賬面值估計為其公平值。

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### 18. GOODWILL

### 18. 商譽

		HK\$'000 千港元
<b>COST</b>	<b>成本</b>	
At 1 April 2004, 31 March 2005 and 1 April 2005	於二零零四年四月一日、二零零五年三月三十一日 及二零零五年四月一日	19,993
Elimination of accumulated amortisation upon the application of HKFRS 3 (see Note 2)	應用香港財務報告準則第3號後 撤銷累積攤銷(附註2)	(2,989)
At 31 March 2006	於二零零六年三月三十一日	17,004
<b>ACCUMULATED AMORTISATION</b>	<b>累積攤銷</b>	
At 1 April 2004	於二零零四年四月一日	1,993
Charge for the year	本年度攤銷	996
At 1 April 2005	於二零零五年四月一日	2,989
Elimination of accumulated amortisation upon the application of HKFRS 3 (see Note 2)	採納香港財務報告準則第3號後 撤銷累積攤銷(附註2)	(2,989)
At 31 March 2006	於二零零六年三月三十一日	-
<b>IMPAIRMENT</b>	<b>減值</b>	
At 1 April 2004 and 1 April 2005	於二零零四年四月一日及二零零五年四月一日	-
Impairment loss recognised for the year	本年度所確認之減值虧損	17,004
At 31 March 2006	於二零零六年三月三十一日	17,004
<b>CARRYING VALUES</b>	<b>賬面值</b>	
At 31 March 2006	於二零零六年三月三十一日	-
At 31 March 2005	於二零零五年三月三十一日	17,004

Until 31 March 2005, goodwill had been amortised over its estimated useful life, generally not exceeding twenty years.

During the year ended 31 March 2006, the Group fully impaired the goodwill as the directors of the Company are of the opinion that business prospect of this subsidiary is unfavourable and the recoverable amount of the cash generating unit cannot support the amount of goodwill.

於二零零五年三月三十一日前，商譽按其一般不超過二十年之估計可使用年期攤銷。

截至二零零六年三月三十一日止年度，由於本公司董事認為此附屬公司之業務前景欠佳，而現金產生單位之可收回金額不能支持商譽金額，故本集團將商譽全面減值。

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### 綜合財務報告附註

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#### 19. INTERESTS IN ASSOCIATES

#### 19. 於附屬公司權益

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Cost of investment in unlisted associates	於未上市聯營公司之投資成本	29,605	29,605
Share of post-acquisition profits and exchange realignment (Note a)	應佔收購後溢利及滙兌調整 (附註a)	163	163
Negative goodwill (Note b)	負商譽 (附註b)	-	(11,452)
Impairment loss recognised (Note c)	所確認之減值虧損 (附註c)	(23,768)	-
		<b>6,000</b>	<b>18,316</b>
Amounts due from associates, less allowance	減除撥備後應收聯營公司款項	-	210

The amounts due from associates were unsecured, interest-free and fully settled during the year.

應收聯營公司款項為無抵押、免息及於本年內全數償還。

As at 31 March 2006, the Group had interests in the following associates:

於二零零六年三月三十一日，本集團於下列聯營公司持有權益：

Name of associate	Form of Business structure	Class of shares held	Place of incorporation/ registration and operations	Nominal value of issued share/ registered capital	Percentage of equity attributable to the Group	Principal activities
聯營公司名稱	業務架構形式	股份類別	成立/註冊及經營之地點	已發行/已註冊資本面值	本集團應佔股權之百分比	主要業務
Success Start Holdings Limited ("Success Start") 成發控股有限公司 (「成發控股」)	Incorporated 法團公司	Ordinary 普通股	British Virgin Islands ("BVI") 英屬處女群島	HK\$390,000 390,000港元	49%	Investment holding 投資控股
Anxi Medicine-Make Co., Limited, Fujian 福建省安溪制藥有限公司	Incorporated 法團公司	Contributed Capital 投入資本	PRC 中國	RMB30,000,000 人民幣30,000,000元	39%	Manufacture of medical products 製造醫藥產品
Beijing Xipu Biotechnology Limited 北京壘圍環球生物醫藥技術有限公司	Incorporated 法團公司	Contributed Capital 投入資本	PRC 中國	RMB10,000,000 人民幣10,000,000元	43%	Research and development, production and sales of bio-technological medical products 研究及開發、 生產及銷售 生物技術醫藥產品

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## 19. INTERESTS IN ASSOCIATES (CONTINUED)

Notes:

- (a) The summarised unaudited financial information in respect of the Group's associates is set out below:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Total assets	資產總值	40,930	80,843
Total liabilities	負債總額	(11,634)	(20,092)
Net assets	資產淨值	29,296	60,751
Group's share of net assets of associates (Note)	本集團分佔聯營公司資產淨值 (附註)	29,768	29,768
Revenue	收益	9,465	23,944
(Loss) profit for the year	年內(虧損)溢利	(31,455)	333
Group's share of results of associates for the year (Note)	本集團分佔聯營公司年內業績 (附註)	-	163

Note: Pursuant to the sales and purchase agreement dated 15 March 2004 in respect of the acquisition of Success Start and its subsidiaries, stipulates that in the case of any loss incurred by Success Start within five years following the date of the acquisition, the loss will be borne by the vendors in proportion to the original shareholdings in Success Start.

- (b) Included in the interests in associates is negative goodwill with carrying amount of HK\$11,452,000 as at 31 March 2005 (1 April 2004: HK\$12,054,000) was presented as a deduction from the cost of investments in associates. In prior years, negative goodwill was released to income on a straight-line basis of twenty years, representing the remaining weighted average useful life of depreciable assets acquired. The amount of negative goodwill released to the income statement for the year ended 31 March 2005 was HK\$602,000. All negative goodwill was derecognised on 1 April 2005 upon the application of HKFRS 3 (see Note 2).
- (c) The directors of the Company reviewed the carrying value of its interests in associates with reference to the expected proceeds on the disposal as disclosed in the Note 36a. Impairment loss of HK\$23,768,000 (2005: Nil) was recognised in the consolidated income statement.

附註：

- (a) 有關本集團聯營公司之未經審核財務資料概要載列如下：

附註：根據於二零零四年三月十五日就收購成發及其附屬公司而訂立之買賣協議，當中訂明倘成發於收購日期後五年內出現任何虧損，則虧損將由賣方按成發原持股量之比例承擔。

- (b) 於聯營公司之權益中包括於二零零五年三月三十一日賬面值達11,452,000港元(二零零四年四月一日：12,054,000港元)之負商譽，乃呈列為於聯營公司之投資成本之扣減。於過往年度，負商譽乃於二十年(即所收購可折舊資產之加權平均可使用年期)按直線法解除至收入。截至二零零五年三月三十一日止年度，解除至收益表之負商譽金額為602,000港元。於應用香港財務報告準則第3號後，所有負商譽已於二零零五年四月一日終止確認(見附註2)。
- (c) 本公司董事參照附註36a所披露之出售事項預期所得款項審其於聯營公司之權益之賬面值。綜合收益表中已確認23,768,000港元(二零零五年：無)之減值虧損。

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#### 20. INVENTORIES

#### 20. 存貨

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原材料	32,478	35,992
Work in progress	在製品	35,032	42,575
Finished goods	製成品	11,608	17,067
		<b>79,118</b>	<b>95,634</b>

At 31 March 2006, all the inventories were carried at cost.

於二零零六年三月三十一日，所有存貨已按成本列賬。

#### 21. TRADE AND BILLS RECEIVABLES

#### 21. 應收貨款及應收票據

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated) (重列)
Trade and bills receivables (Note)	應收貨款及應收票據 (附註)	60,089	61,565
Less: Allowance for bad and doubtful debts	減：呆壞賬撥備	(4,452)	(4,661)
		<b>55,637</b>	<b>56,904</b>

Note:

The Group's sales are on open account terms. Trading terms with customers are largely on credit, except for new customers where payment in advance is normally required. Invoices are normally payable within 30 days of issuance, except for certain well-established customers, where the terms are extended to 180 days.

附註：

本集團之銷售以記賬形式進行。除新客戶需預先付款外，大部份客戶均給予信貸期。除若干關係良好之客戶給予最長180天之信貸期外，大部份貨款於30天內償還。

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**21. TRADE AND BILLS RECEIVABLES**  
*(CONTINUED)*

At the balance sheet date, the aging analysis of the trade and bills receivables, net of allowance for bad and doubtful debts was as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
Within 90 days	90天內	<b>24,214</b>	28,231
91 – 365 days	91天至365天內	<b>29,166</b>	28,236
Over 1 year	超過1年	<b>2,257</b>	437
		<b>55,637</b>	56,904

The fair value of the Group's trade and bills receivables at 31 March 2006 was approximated to the corresponding carrying amount.

**21. 應收貨款及應收票據 (續)**

於結算日，應收貨款及應收票據之賬齡分析(扣除呆壞賬撥備後)如下：

本集團於二零零六年三月三十一日之應收貨款及應收票據公平值與其相應賬面值相若。



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#### 22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Included in prepayments, deposits and other receivables as at 31 March 2005 was amount due from a related company. Information disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance are as follow:

Name	Name of directors having beneficial interest	Balance at 31 March 2006	Balance at 31 March 2005	Maximum amount outstanding during the year
名稱	擁有實益權益之董事姓名	於二零零六年三月三十一日結餘	於二零零五年三月三十一日結餘	年內未償還最高數額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Smart Best Development Limited ("Smart Best")	Ms. Li Kwo Yuk	-	1,460	1,460
俊富發展有限公司(「俊富發展」)	李戈玉女士			

The amount was unsecured, non-interest bearing and fully settled during the year.

The fair value of the Group's prepayments, deposits and other receivables at 31 March 2006 was approximated to the corresponding carrying amount.

#### 22. 預付款項、按金及其他應收款項

於二零零五年三月三十一日之預付款項、按金及其他應收賬款包括一間關連公司之應收款項。根據香港公司法第161B節需要披露之資料如下：

此數額為無抵押、免息及已於年內全數支付。

本集團於二零零六年三月三十一日之預付款項、按金及其他應收款項與其相應賬面值相若。

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### 23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss as at 31 March 2006 comprise:

		2006 HK\$'000 千港元
Unlisted investments in guaranteed funds, at fair value	保證基金之非上市投資， 按公平值	<b>2,343</b>

### 23. 按公平值列賬並在損益表內處理之金融資產

於二零零六年三月三十一日，按公平值列賬並在損益表內處理之金融資產包括：

### 24. OTHER INVESTMENTS

Other investment as at 31 March 2005 are set out below. Upon the application of HKAS 39 on 1 April 2005, other investment were reclassified to financial assets at fair value through profit or loss under HKAS 39 (see Note 2 for details).

		2005 HK\$'000 千港元
Unlisted investments in guaranteed funds, at market value	保證基金之非上市投資， 按市值	2,311

### 24. 其他投資

於二零零五年三月三十一日之其他投資載列如下。於二零零五年四月一日應用香港會計準則第39號，其他投資已根據香港會計準則第39號重新分類為按公平值列賬並在損益表內處理之金融資產（詳情見附註2）。

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#### 25. TRADE PAYABLES/OTHER PAYABLES AND ACCRUALS

At the balance sheet date, the aging analysis of the trade payables were as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Within 90 days	90天內	19,941	20,620
91 – 365 days	91天至365天內	7,220	8,371
Over 1 year	超過1年	1,392	2,436
		<b>28,553</b>	31,427

The fair value of the Group's trade payables, other payables and accruals at 31 March 2006 was approximated to the corresponding carrying amount.

#### 25. 應付貨款／其他應付款項及應計負債

於結算日，應付貨款之賬齡分析如下：

本集團於二零零六年三月三十一日之應付貨款、其他應付款項及應計負債之公平值與其相應賬面值相若。

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### 26. OBLIGATIONS UNDER FINANCE LEASES

The lease term is ranging from 3 to 5 years. For the year ended 31 March 2006, the average effective borrowing rate was 5.7% (2005: 7.1%). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 26. 融資成本之承擔

租期介乎3至5年不等。截至二零零六年三月三十一日止年度，平均實際借貸率為5.7厘(二零零五年：7.1厘)。利率乃於訂約當日釐定。所有租賃均以固定還款為基準，而本集團並無為或際租金付款訂立任何安排。

		Minimum lease payments 最低租金		Present value of minimum lease payments 最低租金現值	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Amounts payable under finance leases	根據融資租賃應付之款項				
Within one year	一年內	<b>648</b>	636	<b>598</b>	606
More than one year but not more than two years	超過一年但不超過兩年	<b>433</b>	239	<b>405</b>	229
More than two years but not more than three years	超過兩年但不超過三年	<b>168</b>	147	<b>160</b>	134
More than three years but not more than four years	超過三年但不超過四年	<b>23</b>	-	<b>21</b>	-
		<b>1,272</b>	1,022	<b>1,184</b>	969
Less: Future finance charges	減：日後融資費用	<b>(88)</b>	(53)	<b>N/A</b>	N/A
Present value of lease obligations	租賃承擔之現值	<b>1,184</b>	969	<b>1,184</b>	969
Less: Amount due within one year shown under current liabilities	減：列作流動負債於一年內到期之款項			<b>(598)</b>	(606)
Amount due after one year	於一年後到期之款項			<b>586</b>	363

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### 綜合財務報告附註

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#### 26. OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

Finance leases are denominated in Hong Kong dollars.

The directors of the Company consider that the carrying amount of the obligations under finance leases approximates their fair value.

#### 26. 融資租賃之承擔 (續)

本集團融資租賃之承擔乃以承租人有關租賃資產之押記作抵押。

融資租賃以港元計值。

本公司董事認為，融資租賃之承擔之賬面值與其公平值相若。

#### 27. BANK AND OTHER BORROWINGS

#### 27. 銀行及其他借貸

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Bank loans	銀行貸款	17,642	19,942
Trust receipt loans	信託收據貸款	2,766	4,633
Other loans	其他貸款	567	259
Bank overdrafts	銀行透支	11,416	10,596
		<b>32,391</b>	35,430
Analysed as:	分析：		
Secured	有抵押	24,314	31,164
Unsecured	無抵押	8,077	4,266
		<b>32,391</b>	35,430

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#### 27. BANK AND OTHER BORROWINGS (CONTINUED)

The above amounts bear interest at prevailing market rates and are repayable as follow:

#### 27. 銀行及其他借貸 (續)

上述金額乃按現行市場利率計息，並須於以下期間償還：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
On demand or within one year	按要求或一年內	32,391	29,318
More than one year but not exceeding two years	超過一年但不超過兩年	-	6,112
		<b>32,391</b>	35,430
Less: Amounts due within one year shown under current liabilities	減：列作流動負債於一年內到 期之款項	<b>(32,391)</b>	(29,318)
Amount due after one year	於一年後到期之款項	-	6,112

At 31 March 2006, bank borrowings of HK\$15,587,000 and HK\$16,237,000 are fixed rate borrowings and floating rate borrowings, respectively. The fixed rate bank borrowings carry interest ranging from 4.75% to 7.71% per annum and the floating rate borrowings carry interest at Hong Kong Interbank Offered Rate plus 0.25%, London Inter-Bank Offered Rate plus 2.5% and Best Lending Rate plus 0.25% to 1.5%.

於二零零六年三月三十一日，為數15,587,000港元及16,237,000港元之銀行借貸分別為定息借貸及浮息借貸。定息借貸按介乎4.75厘至7.71厘之年利率計息，而浮息借貸則按香港銀行同業拆息另加0.25厘、倫敦銀行同業拆息另加2.5厘及最優惠借貸利率另加0.25厘至1.5厘計息。

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### 綜合財務報告附註

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#### 27. BANK AND OTHER BORROWINGS (CONTINUED)

The Group's borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

As at 31 March 2006	於二零零六年三月三十一日
As at 31 March 2005	於二零零五年三月三十一日

During the year, the Group obtained new bank and other borrowings in the amount of approximately HK\$13,278,000. The loans drawn during the year bear interest at market rates and will be repayable varying from 2006 to 2007.

The directors of the Company consider that the carrying amount of bank borrowings approximates their fair value.

The other borrowings are unsecured, bear interest at 4.75% to 9.75% per annum and with fixed repayment term.

#### 27. 銀行及其他借貸 (續)

本集團以有關集團實體功能貨幣以外貨幣計值之借貸載列如下：

	United States		
	RMB	Dollars	GBP
	人民幣	美元	英鎊
	'000	'000	'000
	千元	千元	千元

	15,729	328	265
	17,479	135	272

年內，本集團取得約13,278,000港元之新增銀行及其他借貸。年內提取之貸款乃按市場利率計息，並將於二零零六年至二零零七年間償還。

本公司董事認為，銀行借貸之賬面值與其公平值相若。

其他借貸為無抵押、按年利率4.75厘至9.75厘計息且有固定還款期。

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### 28. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised and movement thereon during the current and prior reporting periods.

### 28. 遞延稅項

以下為已確認之主要遞延稅項負債及資產，以及其於本期及過往期間內之變動。

		Accelerated tax depreciation 加速 稅項折舊	Revaluation of properties 重估物業	Tax losses 稅項虧損	Unrealised losses on inventories 未實現之 存貨虧損	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2004	於二零零四年四月一日	(466)	2,383	(776)	3,015	4,156
(Credit) charge to income for the year	於本年度之收入內 (計入)扣除	(190)	-	689	345	844
Credit to equity for the year	於年內股權中計入	-	(203)	-	-	(203)
Released on disposal of subsidiaries	於出售附屬公司時解除	(110)	-	-	-	(110)
At 1 April 2005, as originally stated	於二零零五年四月一日， 如原列	(766)	2,180	(87)	3,360	4,687
Effect of changes in accounting policies (Note 2A)	會計政策變動之影響 (附註2A)	-	(316)	-	-	(316)
At 1 April 2005, as restated and 31 March 2006	於二零零五年四月一日 如重列及二零零六年 三月三十一日	(766)	1,864	(87)	3,360	4,371



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#### 28. DEFERRED TAX (CONTINUED)

For the purposes of balance sheet presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	4,506	4,822
Deferred tax assets	遞延稅項資產	(135)	(135)
		<b>4,371</b>	4,687

At 31 March 2006, the Group has unused tax losses of HK\$13,679,000 (2005: HK\$22,115,000) available for offset against future profits. For the year ended 31 March 2005, a deferred tax asset had been recognised in respect of HK\$497,000 (2006: Nil) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$13,679,000 (2005: HK\$21,618,000) due to the unpredictability of future profits streams. The unrecognised tax losses will expire in five year's time.

#### 28. 遞延稅項 (續)

就資產負債表之呈報而言，若干遞延稅項資產及負債已對銷。以下為就財務呈報目的而編製之遞延稅項結存分析：

於二零零六年三月三十一日，本集團之未動用稅項虧損為13,679,000港元（二零零五年：22,115,000港元）可用作與未來溢利對銷。截至二零零五年三月三十一日止年度，該稅務虧損已確認之遞延稅項資產為497,000港元（二零零六年：無），剩餘約為13,679,000港元（二零零五年：21,618,000港元）之稅務虧損，因未來溢利流入不可預測，因此未有確認遞延稅項資產。未確認稅項虧損將於五年內期滿之虧損。

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## 29. SHARE CAPITAL AND SHARE OPTIONS

### Share capital

		2006		2005	
		Number of ordinary shares of HK\$0.10 each 每股面值0.10港元 普通股數目		Amount 金額	
				2006 HK\$'000 千港元	2005 HK\$'000 千港元
Authorised:	法定股本：				
Balance at beginning of year and at 31 March	於年初及三月三十一日之結餘	900,000,000	900,000,000	90,000	90,000
Issued and fully paid:	已發行及已繳足股本：				
Balance at beginning of year	於年初結餘	262,478,584	240,539,500	26,248	24,054
Issued of shares for settlement of consideration in respect of acquisition of associates (Note)	因支付收購聯營公司股份之代價而發行股份(附註)	-	21,939,084	-	2,194
Balance at end of year	於年終結餘	262,478,584	262,478,584	26,248	26,248

Note:

During the year ended 31 March 2005, the Company allotted 21,939,084 ordinary shares at the price of HK\$0.8 per share as consideration for the acquisition of Success Start. All the shares issued rank pari passu with the then existing shares in all aspects.

### Share options

The Company adopted a share option scheme on 21 March 1995 (the "Old Scheme") for the purpose of providing incentives and rewards to directors and eligible employees and expired on 20 March 2005.

## 29. 股本及購股權

### 股本

Number of ordinary shares of HK\$0.10 each  
每股面值0.10港元  
普通股數目

Amount  
金額

		2006		2005	
		Number of ordinary shares of HK\$0.10 each 每股面值0.10港元 普通股數目		Amount 金額	
				2006 HK\$'000 千港元	2005 HK\$'000 千港元
Authorised:	法定股本：				
Balance at beginning of year and at 31 March	於年初及三月三十一日之結餘	900,000,000	900,000,000	90,000	90,000
Issued and fully paid:	已發行及已繳足股本：				
Balance at beginning of year	於年初結餘	262,478,584	240,539,500	26,248	24,054
Issued of shares for settlement of consideration in respect of acquisition of associates (Note)	因支付收購聯營公司股份之代價而發行股份(附註)	-	21,939,084	-	2,194
Balance at end of year	於年終結餘	262,478,584	262,478,584	26,248	26,248

附註：

截至二零零五年三月三十一日止年度，本公司分配21,939,084股普通股以每股作價0.8港元作為收購成發控股之代價。所有已發行股份在所有方面均與當時已有之股份有相同等級。

### 購股權

本公司於一九九五年三月二十一日採納一項購股權計劃(「舊計劃」)，目的為向董事及合資格僱員提供鼓勵及獎勵，及已於二零零五年三月二十日屆滿。

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### 29. SHARE CAPITAL AND SHARE OPTIONS (CONTINUED)

#### Share options (CONTINUED)

Under the Old Scheme, the maximum number of unexercised share options permitted to be granted is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant is limited to 2.5% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted in writing within 21 days from the date of the offer, with no consideration being payable by the grantee. The exercise period of the share options granted is determinable by the directors, and commences from the date of grant of the share options and ends on a date which is not later than six years from the date of the commencement of the exercise period of the share options or the expiry date of the Old Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of the nominal value of the shares of the Company or 80% of the average closing price of the Company's shares on the Stock Exchange for the five trading days immediately preceding the date of the grant of the share options.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

### 29. 股本及購股權 (續)

#### 購股權 (續)

按舊計劃，現時獲准授出之未獲行使購股權之數目，須以其獲行使時相等於本公司於任何時間已發行股份10%為上限。於任何時間內，根據購股權可向每名合資格參與者發行股份之最高數目，以本公司於任何時間已發行股份之2.5%為上限。任何超出此限額進一步授出之購股權須經股東於股東大會上批准。

授出購股權之發售建議可自發售建議日期起計21日內，承授人可透過書面接納，並無須支付任何代價。所授購股權之行使期限由董事釐定，且於授出購股權當日開始，並於自購股權之行使期開始之日起不多於六年期或舊計劃屆滿日期結束（以較早者為準）。

購股權之行使價乃由董事釐定，惟不可少於本公司股份之面值或本公司股份於聯交所所報在緊接授出購股權當日前五個交易日之平均收市價之80%（以較高者為準）。

購股權持有人並無享有股息或於股東大會投票之權利。

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## 29. SHARE CAPITAL AND SHARE OPTIONS (CONTINUED)

### Share options (CONTINUED)

The following options to subscribe for shares were outstanding under the Old Scheme:

Name or category of participant	As at 1 April 2004 於二零零四年 四月一日	Lapsed during the year 在年中失效	As at 31 March 2005 於二零零五年 三月三十一日
<b>Directors</b>			
<b>董事</b>			
Mr. Liang Jin You 梁金友先生	2,306,000	(2,306,000)	-
Ms. Li Kwo Yuk 李戈玉女士	2,836,000	(2,836,000)	-
Mr. Ou Jian Sheng 歐健生先生	5,766,000	(5,766,000)	-
	10,908,000	(10,908,000)	-

\* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

## 29. 股本及購股權 (續)

### 購股權 (續)

根據舊計劃尚未行使以認購股份之購股權如下:

Date of grant of share options	Exercise period of share options	Exercise price of share options*
購股權授出日期	購股權行使期間	購股權行使價*
		HK\$ 港元
6 October 1999 一九九九年 十月六日	6 October 1999 to 20 March 2005 一九九九年十月六日至 二零零五年三月二十日	0.2608
27 January 2000 二零零零年 一月二十七日	27 January 2000 to 20 March 2005 二零零零年一月二十七日至 二零零五年三月二十日	0.6464
6 October 1999 一九九九年 十月六日	6 October 1999 to 20 March 2005 一九九九年十月六日至 二零零五年三月二十日	0.2608
		-

\* 購股權行使價在供股或紅股發行或本公司股本發生其他類似變動時可予調整。

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#### 29. SHARE CAPITAL AND SHARE OPTIONS (CONTINUED)

##### Share options (CONTINUED)

As a result of the amendments of Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") on 1 September 2001, certain terms of the Old Scheme are no longer in compliance with the Listing Rules and the Company can no longer grant any further options under the Old Scheme without being in breach of the Listing Rules. Accordingly, the Company terminated the Old Scheme and adopted a new share option scheme (the "New Scheme"), which was approved in the Company's annual general meeting on 28 August 2003, for the purpose of providing incentives to directors and eligible participants.

Except that no further options may be granted under the Old Scheme subsequent to its termination, all the other provisions of the Old Scheme will remain in force so as to give effect to the exercise of all outstanding options granted under the Old Scheme prior to 1 September 2001 and all such options will remain valid and exercisable in accordance with the provisions of the Old Scheme.

According to the New Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company or any of its subsidiaries and any suppliers, customers, any technical, financial, and legal professional advisors who have contributed to the Group, to subscriber for shares in the Company for a consideration of HK\$1 for each lot of share options granted.

#### 29. 股本及購股權 (續)

##### 購股權 (續)

由於香港聯合交易所有限公司證券上市規則(「上市規則」)第17章於二零零一年九月一日作出修訂，令舊計劃之若干條款不再符合上市規則，故若本公司根據舊計劃再授出任何購股權，將會違反上市規則。因此，本公司終止舊計劃並採納一項新購股權計劃(「新計劃」)，主要目的為獎勵董事及合資格參與者，其後此計劃已於本公司在二零零三年八月二十八日舉行之股東週年大會上獲批准。

除於終止舊計劃後不可再據此授出購股權外，舊計劃之所有其他條文均仍舊有效，因此於二零零一年九月一日前根據舊計劃已授出但尚未行使之所有購股權均可予行使，而所有該等購股權均可按照舊計劃之條文繼續有效及可予行使。

根據新計劃，本公司董事可向合資格僱員，包括本公司或其任何附屬公司之董事，以及任何曾對本集團作出貢獻之供應商、客戶、任何技術、財務及法律上提供專業意見之人士授予購股權以供認購本公司股份，每批所授出購股權代價為每批1港元。

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### 29. SHARE CAPITAL AND SHARE OPTIONS (CONTINUED)

#### Share options (CONTINUED)

Options granted should be accepted within 28 days from the date of grant. The total number of shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares of the Company in issue at the date adoption of the New Scheme.

The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to director, chief executive or substantial shareholder of the Company or any of their associates in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

The maximum number of shares to be issued upon exercise of all outstanding options granted and yet to exercised under the New Scheme and any other option schemes of the Company must not in aggregate exceed 30% of the issued share capital of the Company from time to time.

The directors may at their absolute discretion determine the period during which an option may be exercised, such period to expire not later than 10 years from the date of grant of the option. The exercise price is determined by the directors and shall not be less than the highest of (i) the closing price of the Company's share on the date of grant, (ii) the average closing price of the Company's shares for the five business days immediately preceding the date of grant, and (iii) the nominal value of the share.

No options were granted to directors and employees of the Company under the New Scheme since its adoption.

### 29. 股本及購股權 (續)

#### 購股權 (續)

授出之購股權須於授出之日起計28日內獲接納。所有根據新計劃及本公司任何其他購股權計劃將予授出之購股權涉及之股份總數不得超過本公司於新計劃採納日已發行股份之10%。

在未經本公司股東事先批准下，任何人士在一年之內獲授之購股權涉及之股份數目在任何時候均不得超過本公司已發行股份之1%。向本公司董事、主要行政人員或主要股東或其任何聯繫人士授出之購股權如涉及本公司股本超過0.1%或總值超過5,000,000港元，必須事先獲本公司股東批准。

根據新計劃及本公司任何其他購股權計劃授出之尚未行使之購股權若獲悉數行使，因而而可予發行之最高股份數目，合共不得超過本公司不時已發行股本30%。

董事可全權酌情決定購股權可予行使之期間，惟該期間不得超過授出購股權日期當日起計十年。行使價由董事釐定，並不會低於(i)本公司股份於授出日期之收市價；(ii)本公司股份於緊接授出日期前五個營業日之平均收市價；及(iii)股份面值三者中之最高者。

自採納新計劃起，並無據此向本公司董事及僱員授出任何購股權。

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#### 30. DISPOSAL OF SUBSIDIARIES

For the year ended 31 March 2005, the Group disposed of its entire interests in Smart Best and German Time Limited ("German Time"). The net assets of these subsidiaries at the date of disposal were as follows:

#### 30. 出售附屬公司

截至二零零五年三月三十一日止年度，本集團出售其於俊富發展及德國時計有限公司（「德國時計」）的全部權益。該等附屬公司於出售當日之資產淨值如下：

		2005 HK\$'000 千港元
Net assets disposal of:	出售資產淨值：	
Investment properties	投資物業	8,000
Property, plant and equipment	物業、廠房及設備	14,071
Trade receivables	應收貨款	66
Prepayments, deposits and other receivables	預付款項，按金及其他應收款項	8
Bank balances and cash	銀行結存及現金	18
Amount due to an intermediate holding company	應付中介控股公司款項	(4)
Amount due to an immediate holding company	應付直接控股公司款項	(890)
Amount due to a fellow subsidiary	應付同系附屬公司款項	(844)
Other payables and accruals	其他應付款項及應計負債	(108)
Tax payable	應付稅項	13
Deferred tax liabilities	遞延稅項負債	(110)
		20,220
Capital reserve released	資本儲備撥回	87
Gain on disposal	出售之盈利	1,693
		22,000
Total consideration	總代價	22,000
Satisfied by:	付款方式：	
Cash	現金	22,000
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	22,000
Bank balances and cash disposed of	出售之銀行結存及現金	(18)
		21,982

The subsidiaries disposed during the year ended 31 March 2005 had no significant impact on the turnover and results of the Group.

於截至二零零五年三月三十一日止年度內出售之附屬公司對本集團之營業額及業績概無重大影響。

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### 31. MAJOR NON-CASH TRANSACTIONS

- (i) During the year ended 31 March 2006, the Group entered into finance leases arrangements in respect of property, plant and equipment with a total capital value at the inception of the leases of approximately HK\$1,265,000.
- (ii) During the year ended 31 March 2005, the Group allotted 21,934,084 ordinary shares of HK\$0.1 each at the base price of HK\$0.8 per share as consideration for the acquisition of Success Start.

### 31. 主要非現金交易

- (i) 截至二零零六年三月三十一日止年度，本集團就物業、廠房及設備訂立融資租賃安排，於租賃開始時之總資本值約為1,265,000港元。
- (ii) 於截至二零零五年三月三十一日止年度之期間，本集團配發21,934,084股每股面值0.1港元之普通股以每股作價0.8港元作為收購成發之代價。

### 32. RELATED PARTY TRANSACTIONS

- (i) During the year, the Group entered into the following transactions with related parties:

### 32. 關連人士交易

- (i) 於本年度內本集團與關連人士達成下列交易：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Smart Best	俊富發展		
Accounting fee received	已收會計費	-	40
Interest income received	已收利息收入	-	187
Management fee received	已收管理費	-	40
German Time (Note)	德國時計 (附註)		
Interest income received	已收利息收入	-	165
Management fee paid	已付管理費	-	560
Rental expense paid	已付租金開支	<b>840</b>	-
Ms. Li Kwo Yuk	李戈玉女士		
Disposal of subsidiaries	出售附屬公司	-	22,000

Note:

Ms. Li Kwo Yuk, a director of the Company, has beneficial interest in this company.

附註：

本公司董事李戈玉女士於該公司擁有實益權益。



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### 32. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (ii) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Short-term benefits	短期福利	4,610	5,764
Post-employment benefits	離職後福利	86	266
		<b>4,696</b>	<b>6,030</b>

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

### 33. OPERATING LEASE ARRANGEMENTS

#### (a) The Group as lessee

The Group leases certain of its offices and staff quarters under operating lease arrangements. Lease for properties are negotiated for a term ranging from one to four years.

### 32. 關連人士交易 (續)

#### (ii) 主要管理人員補償

年內，董事及其他主要管理層成員之酬金如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Short-term benefits	短期福利	4,610	5,764
Post-employment benefits	離職後福利	86	266
		<b>4,696</b>	<b>6,030</b>

董事及主要行政人員之酬金乃薪酬委員會參照彼等之個人表現及市場趨勢釐定。

### 33. 經營租賃安排

#### (a) 本集團作為租戶

根據經營租賃安排，本集團租賃旗下若干辦公室及員工宿舍，租約期由一年至四年不等。

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### 33. OPERATING LEASE ARRANGEMENTS (CONTINUED)

#### (a) The Group as lessee (CONTINUED)

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Within one year	一年內	781	1,462
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	1,690	2,207
		<b>2,471</b>	3,669

#### (b) The Group as lessor

At the balance sheet date, the Group had commitments for future minimum lease receivables under non-cancellable operating leases in respect of premises which would fall due as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Within one year	一年內	470	280
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	124	-
		<b>594</b>	280

At 31 March 2006, all of the properties held have committed tenants for the next one to three years. The properties are expected to generate rental yields of 5.5% on an ongoing basis.

### 33. 經營租賃安排 (續)

#### (a) 本集團作為租戶 (續)

於結算日，本集團於以下期間屆滿之不可取消經營租賃在未來之最低租金承擔如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Within one year	一年內	781	1,462
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	1,690	2,207
		<b>2,471</b>	3,669

#### (b) 本集團作為出租者

於結算日，本集團就物業於以下期間屆滿之不可取消經營租賃在未來之應收最低租金承擔如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Within one year	一年內	470	280
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	124	-
		<b>594</b>	280

於二零零六年三月三十一日，所持之所有物業於未來一至三年均有承諾租賃之租客。預期該等物業將按持續基準產生達5.5厘之租金利潤。

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#### 34. PLEDGE OF ASSETS

At the balance sheet date, certain assets of the Group were pledged to secure banking facilities granted to the Group and as follows:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Investment properties	投資物業	6,426	–
Land and buildings	土地及樓宇	36,811	45,366
Prepaid lease payments on land use rights	土地使用權預付租賃款項	5,241	5,195
Financial assets at fair value through profit or loss	按公平值並在損益表內處理之金融資產	2,343	–
Other investments	其他投資	–	2,311
		<b>50,821</b>	<b>52,872</b>

#### 35. RETIREMENT BENEFIT SCHEME

The Group operates a defined contribution "MPF Scheme" under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employee's basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

#### 34. 資產抵押

於結算日，本集團已作抵押作為本集團獲授銀行信貸之若干資產如下：

#### 35. 退休福利計劃

本集團根據強制性公積金計劃條例為合資格參與計劃之僱員設立一項定額供款強積金退休福利計劃（「強積金計劃」）。供款乃根據僱員之基本薪金之百分比計算，並根據該強積金計劃之規則於應付時在收益表內扣除。該強積金計劃之資產由一個獨立管理基金持有，與本集團之資產分開處理。本集團之僱主供款於向強積金計劃供款時全數歸僱員所有。

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### 35. RETIREMENT BENEFIT SCHEME (CONTINUED)

The Company's subsidiaries established in Mainland China are members of the state-managed retirement benefits scheme operated by the PRC. The retirement scheme contributions, which are based on a certain percentage of the salaries of the PRC subsidiaries' employees, are charged to the consolidated income statement in the year to which they are related and represented the amount of contributions payable by these subsidiaries to this scheme.

The total cost charged to the consolidated income statement of approximately HK\$1,794,000 (2005: HK\$333,000) represents contributions payable to the schemes by the Group in respect of the current financial year.

### 35. 退休福利計劃 (續)

本公司在中國大陸成立之附屬公司乃中國政府成立之定額供款退休福利計劃之成員。退休福利供款額乃根據中國附屬公司僱員之薪金若干百分比計算，並在供款有關年度自綜合收益表中扣除，數額為此等附屬公司應付予彼等此計劃之供款金額。

於綜合收益表扣除之總成本約1,794,000港元(二零零五年：333,000港元)指本集團就本財政年度向該等計劃應付之供款。

### 36. POST BALANCE SHEET EVENTS

- (a) On 22 February 2006, a wholly-owned subsidiary of the Company, Easy Link Assets Limited ("Easy Link"), entered into a sale and purchase agreement with independent third parties for the disposal of its 49% equity interests in associates, Success Start for a consideration of HK\$6,000,000. The transaction will be completed in August 2006.
- (b) On 18 March 2006, Easy Link entered into a sale and purchase agreement with independent third parties for the acquisition of the entire issued share capital ("Sale Shares") of Matrix Software Inc. for a total consideration of HK\$50,400,000. The Consideration for the Sale Shares shall be satisfied by allotting and issuing of 42,000,000 new shares ("Consideration Shares") at an issue price of HK\$1.2 per Consideration Share, credited as fully paid. The transaction was completed on 4 April 2006.

### 36. 結算日後事項

- (a) 於二零零六年二月二十二日，本公司全資附屬公司Easy Link Assets Limited(「Easy Link」)與獨立第三方訂立買賣協議，內容有關按代價6,000,000港元出售其於聯營公司成發之49%股權。該項交易將於二零零六年八月完成。
- (b) 於二零零六年三月十八日，Easy Link與獨立第三方訂立買賣協議，內容有關按總代價50,400,000港元收購Matrix Software Inc.全部已發行股本(「銷售股份」)。銷售股份之代價將按配發及發行42,000,000股入賬列作繳足之新股份(「代價股份」)之方式支付，而發行價為每股代價股份為1.2港元。該項交易已於二零零六年四月四日完成。

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#### 36. POST BALANCE SHEET EVENTS (CONTINUED)

- (c) On 12 June 2006, a wholly-owned subsidiary of the Company, Artfield Company Limited entered into a sale and purchase agreement with independent third parties in relation to the disposal of the entire issued share capital of City Bright International Limited and its wholly owned subsidiary City Bright Lighting (Shenzhen) Co. Ltd. for a consideration of approximately HK\$3,874,000. The transaction was completed on 23 June 2006.

#### 36. 結算日後事項 (續)

- (c) 於二零零六年六月十二日，本公司全資附屬公司Artfield Company Limited與獨立第三方訂立買賣協議，內容有關出售邦暉國際有限公司及其全資附屬公司邦暉燈具(深圳)有限公司全部已發行股本，代價約為3,874,000港元。該項交易已於二零零六年六月二十三日完成。

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### 37. BALANCE SHEET OF THE COMPANY

### 37. 本公司之資產負債表

		NOTES 附註	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Non-current asset	非流動資產			
Interests in subsidiaries	於附屬公司之權益		<b>35,230</b>	78,495
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	(a)	<b>98,679</b>	97,624
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		<b>149</b>	376
Tax recoverable	可收回稅項		<b>25</b>	-
Bank balances and cash	銀行結存及現金		<b>69</b>	108
			<b>98,922</b>	98,108
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計負債		<b>1,132</b>	521
Amount due to a subsidiary	應付附屬公司款項	(a)	<b>181</b>	-
			<b>1,313</b>	521
Net current assets	流動資產淨值		<b>97,609</b>	97,587
Total assets less current liabilities	總資產減流動負債		<b>132,839</b>	176,082
Capital and reserves	股本及儲備			
Share capital	股本		<b>26,248</b>	26,248
Reserves	儲備	(b)	<b>106,591</b>	149,834
			<b>132,839</b>	176,082

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#### 37. BALANCE SHEET OF THE COMPANY (CONTINUED)

##### (a) Amounts due from (to) subsidiaries

The amounts are unsecured, interest free and repayable on demand. The fair value of the amounts as at 31 March 2006 approximated the carrying amount.

##### (b) Reserves

		Share premium 股份溢價 HK\$'000 千港元	Contributed Surplus 繳入盈餘 HK\$'000 千港元	Retained deficit 保留虧絀 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2004	於二零零四年四月一日	25,123	128,013	(18,646)	134,490
Shares allotted for settlement of consideration in respect of acquisition of an associate	就支付收購聯營公司 代價配發之股份	15,358	-	-	15,358
Loss for the year	年內虧損	-	-	(14)	(14)
At 31 March 2005	於二零零五年 三月三十一日	40,481	128,013	(18,660)	149,834
Loss for the year	年內虧損	-	-	(43,243)	(43,243)
At 31 March 2006	於二零零六年 三月三十一日	40,481	128,013	(61,903)	106,591

The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued in exchange for the issued shares of the companies being acquired and the value of net assets of the underlying companies acquired at the time of the Group's reorganisation in preparation for its listing in 1995. Under the Companies Act 1981 of Bermuda, the Company may make distributions to its members out of the contributed surplus in certain circumstances.

#### 37. 本公司之資產負債表 (續)

##### (a) 應收(應付)附屬公司款項

該等金額為無抵押、免息及須按要求償還。於二零零六年三月三十一日，金額之公平值與其賬面值相若。

##### (b) 儲備

本公司之繳入盈餘指本公司為交換所收購公司已發行股份而發行之本公司股份之面值，與所收購相關公司於本集團一九九五年為籌備上市而重組之時之資產淨值之差額。根據百慕達一九八一年公司法，本公司可在若干情況下自繳入盈餘向其股東作出分派。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報告附註

For the year ended 31 March 2006  
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### 38. PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries held by the Company as at 31 March 2006 are as follows:

### 38. 主要附屬公司

本集團於二零零六年三月三十一日持有之主要附屬公司詳情如下：

Name 名稱	Class of shares held 所持股份之類別	Place of incorporation/ registration and operations 註冊成立／註冊及經營之地點	Nominal value of issued share/ registered capital 已發行／已註冊資本面值	Percentage of equity attributable to the Group 本集團應佔股權之百分比	Principal activities 主要業務
<b>Directly held:</b> 直接持有：					
Artfield Company Limited	Ordinary 普通股	BVI 英屬處女群島	US\$50,010 美金50,010元	100	Investment holding 投資控股
<b>Indirectly held:</b> 非直接持有：					
Artfield Manufacturing Company Limited 雅域實業有限公司	Ordinary 普通股 Non-voting deferred shares 無投票權 遞延股	Hong Kong 香港	HK\$1,000 1,000港元 HK\$2,000,000# 2,000,000港元#	100	Manufacture and marketing of clocks 製造及銷售時鐘
Artfield Industries (Shenzhen) Limited ("AIS") 雅域實業(深圳)有限公司 (「雅域實業(深圳)」)	Contributed capital 投入資本	PRC 中國	RMB46,000,000 人民幣 46,000,000元	100	Manufacture of clocks 製造時鐘
Ultra Good Electroplating Limited 特佳電鍍有限公司	Ordinary 普通股	Hong Kong 香港	HK\$4,000,000 4,000,000港元	79.75	Provision of electroplating services 提供電鍍服務
Ultra Good Electroplating Surface Finishing (Shenzhen) Co., Ltd. ("UG(SZ)") 特佳電鍍表面處理(深圳)有限公司 (「特佳(深圳)」)	Contributed capital 投入資本	PRC 中國	US\$600,000 美金600,000元	79.75	Provision of electroplating services 提供電鍍服務



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報告附註

For the year ended 31 March 2006  
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#### 38. PRINCIPAL SUBSIDIARIES (CONTINUED)

#### 38. 主要附屬公司 (續)

Name 名稱	Class of shares held 所持股份之類別	Place of incorporation/ registration and operations 註冊成立/註冊及經營之地點	Nominal value of issued share/ registered capital 已發行/已註冊資本面值	Percentage of equity attributable to the Group 本集團應佔股權之百分比	Principal activities 主要業務
<b>Indirectly held: (Continued)</b> 非直接持有 : (續)					
Dixon Design Limited	Ordinary 普通股	BVI 英屬處女群島	US\$10,000 美金10,000元	100	Ownership of patents and trademarks 持有專利權及商標
Wehrle Uhrenfabrik GmbH	Ordinary 普通股	Germany 德國	EUR255,646 歐元255,646	100	Marketing of clocks 銷售時鐘
Precision Group Limited	Ordinary 普通股	BVI 英屬處女群島	US\$437,000 美金437,000元	100	Investment holding 投資控股
City Bright International Limited 邦暉國際有限公司	Ordinary 普通股	Hong Kong 香港	HK\$2,000,000 2,000,000港元	100	Investment holding 投資控股
Everbright Lighting Limited 永光燈具有限公司	Ordinary 普通股	Hong Kong 香港	HK\$1,000,000 1,000,000港元	100	Trading of lighting products 照明產品貿易
Everbright Lighting (Hong Kong) Limited 永光燈具(香港)有限公司	Ordinary 普通股	Hong Kong 香港	HK\$2 2港元	100	Trading of lighting products 照明產品貿易
City Bright Lighting (Shenzhen) Co., Ltd. ("CBL(SZ)") 邦暉燈具(深圳)有限公司 (「邦暉燈具(深圳)」)	Contributed capital 投入資本	PRC 中國	HK\$3,000,000 3,000,000港元	100	Manufacture of lighting products 製造照明產品

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報告附註

For the year ended 31 March 2006  
截至二零零六年三月三十一日止年度

### 38. PRINCIPAL SUBSIDIARIES (CONTINUED)

### 38. 主要附屬公司 (續)

Name 名稱	Class of shares held 所持股份 之類別	Place of incorporation/ registration and operations 註冊成立/註冊 及經營之地點	Nominal value of issued share/ registered capital 已發行/已註冊 資本面值	Percentage of equity attributable to the Group 本集團應佔 股權之百分比	Principal activities 主要業務
<b>Indirectly held: (Continued)</b> 非直接持有：(續)					
Artfield Industries (Gaoming) Limited ("AIG") 雅域實業(高明)有限公司 (「雅域實業(高明)」)	Contributed capital 投入資本	PRC 中國	HK\$8,000,000 8,000,000港元	100	Manufacture of wooden products 製造木製品
高明豐雅鐘錶有限公司	Contributed capital 投入資本	PRC 中國	HK\$2,500,000 2,500,000港元	100	Manufacture and marketing of clocks 製造及銷售時鐘
East Champion International Limited 東澤國際有限公司	Ordinary 普通股	Hong Kong 香港	HK\$1,200 1,200港元	100	Property holding 持有物業
Right Time Group, Inc.	Ordinary 普通股	United States of America 美利堅合眾國	US\$10,000 美金10,000元	100	Marketing of clocks 銷售時鐘
Royal Success Enterprises Limited 豐成企業有限公司	Ordinary 普通股	Hong Kong 香港	HK\$4 4港元	100	Investment holding 投資控股
Ferdinand International (Marketing) Limited	Ordinary 普通股	United Kingdom 英國	GBP100,000 英鎊100,000	100	Marketing of clocks 銷售時鐘
Lens Trading Inc. ("Lens")	Ordinary 普通股	BVI 英屬處女群島	US\$1 美金1元	100	Trading of metals 金屬貿易

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報告附註

For the year ended 31 March 2006  
截至二零零六年三月三十一日止年度

#### 38. PRINCIPAL SUBSIDIARIES (CONTINUED)

#### 38. 主要附屬公司 (續)

Name	Class of shares held	Place of incorporation/ registration and operations	Nominal value of issued share/ registered capital	Percentage of equity attributable to the Group	Principal activities
名稱	所持股份之類別	註冊成立/註冊及經營之地點	已發行/已註冊資本面值	本集團應佔股權之百分比	主要業務
<b>Indirectly held: (Continued)</b>					
非直接持有：(續)					
Artfield Trading (Hong Kong) Limited 雅域貿易(香港)有限公司	Ordinary 普通股	Hong Kong 香港	HK\$10,000 10,000港元	100	Trading of metals 金屬貿易
德力時鐘(深圳)有限公司(「德力」)	Contributed capital 投入資本	PRC 中國	HK\$3,000,000 3,000,000港元	100	Manufacture of clocks 製造時鐘

# The non-voting deferred shares are entitled to a fixed non-cumulative dividend at the rate of 5% per annum and a return of the paid-up capital after the distribution of HK\$100,000,000, but carry no rights to receive notice of or to attend or vote at any general meeting of the company, or to participate in the profits or assets of the company.

AIS, UG(SZ), CBL(SZ), AIG, 高明豐雅 and 德力 are wholly foreign-owned enterprises established in the PRC.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during the year.

# 無投票權遞延股擁有權利取得一個每年5%計算之特定非累積股息及在分派100,000,000港元後的已付資本回報，但沒有權力接收任何本公司股東大會通告或出席或投票於本公司之股東大會或參與本公司之溢利及資產。

雅域實業(深圳)、特佳(深圳)、邦暉燈具(深圳)、雅域實業(高明)、高明豐雅及德力乃屬成立於中國之外資全資企業。

上表列示本公司董事認為主要影響本集團業績或資產之本集團附屬公司。董事認為倘詳列其他附屬公司會導致篇幅過於冗長。

於年終或年內任何時間，概無附屬公司擁有任何已發行之債務證券。

# FIVE YEAR FINANCIAL SUMMARY

## 五年財務摘要

Year ended 31 March 2006 (Express in thousands of Hong Kong dollars)  
截至二零零六年三月三十一日止年度(千港元單位列表)

A summary of the published results, assets and liabilities, and minority interests of the Group for the last five financial years is set out below.

本集團過去五個財政年度之已公布業績、資產及負債以及少數股東權益摘要如下：

### RESULTS

#### 業績

		Year ended 31 March 截至三月三十一日止年度				
		2006	2005	2004	2003	2002
			(restated)* (重列)*	(restated)* (重列)*	(restated)* (重列)*	(restated)* (重列)*
TURNOVER	營業額	<b>221,135</b>	238,300	229,925	268,853	272,556
PROFIT (LOSS) FROM OPERATIONS	經營溢利(虧損)	<b>(26,930)</b>	409	(12,721)	4,912	(1,630)
Gain on disposal of subsidiaries	出售附屬公司之收益	-	1,693	-	-	-
Finance costs	融資成本	<b>(2,893)</b>	(3,185)	(3,527)	(2,341)	(1,961)
Share of results of associates	應佔聯營公司業績	-	765	-	-	-
Impairment loss recognised in respect of interests in associates	就於聯營公司權益所確認之減值虧損	<b>(23,768)</b>	-	-	-	-
Impairment loss recognised in respect of goodwill	就商譽所確認之減值虧損	<b>(17,004)</b>	-	-	-	-
Share of loss of a jointly controlled entity	應佔共同控制實體虧損	-	-	-	(48)	(485)
(Loss) profit before tax	除稅前(虧損)溢利	<b>(70,595)</b>	(318)	(16,248)	2,523	(4,076)
Income tax expenses	所得稅開支	<b>(1,516)</b>	(1,755)	182	(364)	1,915
(Loss) profit for the year	年度(虧損)溢利	<b>(72,111)</b>	(2,073)	(16,066)	2,159	(2,161)
Attributable to:	應佔：					
Equity holders of the Company	本公司股權持有人	<b>(72,149)</b>	(2,414)	(16,538)	1,577	(2,806)
Minority interests	少數股東權益	<b>38</b>	341	472	582	645
		<b>(72,111)</b>	(2,073)	(16,066)	2,159	(2,161)

## FIVE YEAR FINANCIAL SUMMARY

### 五年財務摘要

Year ended 31 March 2006 (Express in thousands of Hong Kong dollars)  
截至二零零六年三月三十一日止年度 (千港元單位列表)

#### ASSETS AND LIABILITIES AND MINORITY INTERESTS

#### 資產及負債以及少數股東權益

At 31 March  
於三月三十一日

		2006	2005	2004	2003	2002
			(restated)* (重列)*	(restated)* (重列)*	(restated)* (重列)*	(restated)* (重列)*
Total assets	總資產	<b>229,629</b>	281,670	305,998	294,647	261,850
Total liabilities	總負債	<b>(89,788)</b>	(86,120)	(118,238)	(91,291)	(56,407)
Minority interests	少數股東權益	<b>(7,002)</b>	(6,964)	(6,623)	(6,556)	(6,179)
Net assets	淨資產	<b>132,839</b>	188,586	181,137	196,800	199,264

Note: Prior periods have been adjusted to reflect the change in accounting policy as described in Note 2A to the consolidated financial statements.

附註：為反映綜合財務報表附註2A所述之會計政策之變動，已作出前期調整。



**ARTFIELD GROUP LIMITED**  
雅域集團有限公司

